

The Sioeng Family's Contributions and Foreign Ties

I. EXECUTIVE SUMMARY

The Committee's investigation of the political contributions and related activities of Ted Sioeng and his family was remarkable both for the extraordinary number of obstacles it encountered and for the information it developed in spite of these difficulties. Sioeng, his family, and his business associates made political contributions of nearly \$600,000 overall in 1995 and 1996, including \$400,000 to the Democratic National Committee and \$182,500 to Republican candidates and organizations. The Committee's attempts to determine the sources of these contributions and the motivations behind them were met with a series of hurdles set in place by Sioeng's family, associates, and attorneys.

The most persistent and crippling obstacle was the number of persons the Committee sought to interview or depose who asserted their privileges against self-incrimination, fled the country, or otherwise refused to cooperate with the investigation. Attached to this report is a chart listing 28 persons the Committee tried but was unable to speak to.¹ They include *every* member of Sioeng's extended family that the Committee attempted to contact, plus a number of close business and personal associates.

The Committee voted to immunize one of Ted Sioeng's business associates, Kent La, but ultimately could not make public *any* of his testimony because of Justice Department concerns that to do so "would compromise [its] pending criminal investigation."² Curiously, after having been made aware of the Justice Department's decision reflecting the sensitivity of La's testimony, Ranking Minority Member Henry Waxman stated in an August 4, 1998 hearing that La said nothing relevant to the Committee's investigation of campaign finance abuses.³ Not only is this

¹ Chart Entitled "28 Unavailable Sioeng Witnesses." Ex. 1.

² Letter from L. Anthony Sutin to Chairman Burton, August 28, 1998. Ex. 2. Letter from Mark M. Richard to Chairman Burton memorializes the Committee's agreement with the Justice Department concerning the testimony of Kent La, April 22, 1998. Ex. 3. Letter from Mark M. Richard to Chairman Burton, August 3, 1998. Ex. 4.

³ At an August 4, 1998 Committee hearing, Ranking Minority Member Henry Waxman stated the following:

We recall we were told that if we didn't grant immunity to the four witnesses, we would never know from those people who have direct knowledge about how the Chinese Government made illegal campaign contributions in an attempt, apparent attempt to influence our policy. We granted immunity. We have taken those depositions. . . . The four witnesses, I believe, don't know anything about transferring technology to China.

statement contradicted by the Justice Department's abject refusal to allow the Committee to make public any of Kent La's testimony, but, at the time he made the statement, Representative Waxman had neither heard Kent La's testimony nor read the deposition transcript.

A second obstacle was the Sioeng-family attorneys, who orchestrated a sweeping effort to prevent the Committee from learning the truth about the family's political contributions and activities. Prominent in the family lawyers' arsenal of dilatory and obstructionist tactics was their deliberate failure to comply with Committee subpoenas.

The Committee twice issued subpoenas to three of the Sioeng family's businesses in the U.S., Panda Estates Investment, Inc., Panda Industries, Inc., and Panda Hotel Investment, Inc. The first subpoenas were issued in March and early April and carried early- and mid-April return dates. Two weeks after productions were due, the Sioeng-family lawyers objected to the subpoenas on various grounds and produced only thirty-one pages of unremarkable documents. In June, the Committee issued new subpoenas seeking documents from the same three companies. This time, the subpoenas had been narrowed considerably to reflect concerns expressed by the family lawyers at a May 15, 1998 meeting called by Majority staff to the Committee. These subpoenas were ignored completely.

The Sioeng-family lawyers also managed to upset an agreement the Committee had reached with Donald Lam, the accountant for Sioeng's businesses in the U.S. The Committee subpoenaed Lam in January 1998 and Lam agreed to produce documents and appear for a deposition in mid-February. The information sought from Lam related to the income of Panda Estates and Panda Industries, both of which made political contributions. Those contributions are accounted for on the "Reconciliation of Income (Loss) per Books With Income per Return" section of the corporate tax form 1120. That section reconciles a corporation's taxable income with its book income by, among other things, accounting for expenses -- like political contributions -- recorded on books but not deducted from taxes.

In short, the Committee sought financial information to help it determine the sources of over \$250,000 in political contributions the two companies made in 1995 and 1996. The information represented one of the Committee's only opportunities to trace these sources outside U.S. borders.

They don't know anything about possible campaign contributions from the Chinese Government. And they don't know anything that is of relevance to this committee's investigation.

Note that one of the "four witnesses" referred to above was Kent La. A copy of the hearing transcript is maintained by the Committee.

The Sioeng-family lawyers instructed Donald Lam not to comply with the Committee's subpoena despite the fact that they did not represent him and, in fact, represented parties that had conflicting or substantially different interests than his. Lam never produced the tax records sought by the Committee.⁴

The Sioeng-family lawyers also impeded the investigation's progress by pledging cooperation with the Committee then failing to make good on their promises. At a meeting with Committee staff on January 20, 1998, the family lawyers offered to answer factual questions posed by Committee staff about the Sioeng family and its businesses. Committee staff accepted the lawyers' invitation by a letter dated two days later.⁵ Among other things, the letter asked for information about foreign businesses used by Sioeng to fund political contributions and other activities in the U.S. Because the letter went unanswered, Committee staff again wrote the Sioeng-family lawyers on May 22, 1998.⁶ This letter also was ignored.

In spite of these obstacles, the Committee developed a substantial amount of disturbing information on Sioeng and his political activities in this country. The Committee found that approximately three-quarters of the \$400,000 in Sioeng-related political contributions made in 1995 and 1996 can be traced to foreign money. Many of these contributions are probably illegal, though the information needed to make an authoritative determination was withheld from the Committee by the Sioeng-family's lawyers.

Moreover, the Committee found close and enduring ties between Ted Sioeng and the government of the People's Republic of China (PRC). Sioeng's business empire is heavily reliant upon partnerships with the Chinese government. These ties support the Senate Committee on Governmental Affairs' conclusion that "Sioeng worked, and perhaps still works, on behalf of the Chinese government."⁷ These ties, combined with the foreign sources of many Sioeng-related political contributions and the Sioeng-family's refusal to provide information on its foreign businesses and accounts, strongly suggests that the contributions were illegal and raises serious questions about the motives behind Sioeng's sudden immersion into United States politics in 1995

⁴ Letters by the Sioeng-family lawyers to Chairman Burton eventually objected to the Committee's subpoena, Feb. 13 and 17, 1998. Ex. 5. A letter from Chairman Burton to the Sioeng family lawyers rejected the objections and ordered that Donald Lam produce the subpoenaed documents, Feb. 20, 1998. Ex. 6. Nevertheless, the documents were never produced.

⁵ Letter from Richard D. Bennett to Steven R. Ross and Mark J. MacDougall, Jan. 22, 1998. Ex. 7.

⁶ Letter from Richard D. Bennett to Steven R. Ross and Mark J. MacDougall, May 22, 1998. Ex. 8.

⁷ Senate Committee on Governmental Affairs, Investigation of Illegal or Improper Activities in Connection with the 1996 Federal Election Campaigns, S. Rep. No. 167, 105th Congress, 2d Sess. 2505 (1998). Hereinafter "Senate Campaign Finance Report."

and 1996. Even the Senate minority concluded, “The Committee found evidence that suggests that Sioeng may have participated in directing political contributions made by his daughter [Jessica] Elnitiarta,” which “raised serious questions about the ultimate source of the contributions,” and “further investigation by law enforcement authorities into these issues is clearly warranted.”⁸

Ted Sioeng and his daughter, Jessica Elnitiarta, have stated through the family’s attorneys that the political contributions were “lawful and properly documented,” that “Sioeng is not, and has not been, a political agent of the Chinese or any other government,” and that Sioeng’s “activities in Southern California, and those of his family, are an effort to support the Asian-American community and are not part of any plot by the Chinese government to influence American politics.”⁹ Yet Sioeng and his daughter have offered no factual counter to the information developed by the Committee.

Sioeng’s implicit denial of his PRC government ties is unpersuasive. The conclusions of the Senate Committee on Governmental Affairs were based virtually exclusively on highly-classified material that cannot be made public.¹⁰ Yet information developed by this Committee is not classified, can be shared publicly, and is discussed later in this chapter. This information includes accounts of Sioeng’s ties to high-level Chinese government officials in the U.S. and China, his status as an advisor to Chinese provincial governments, his frequent trips to Beijing, and his business ventures with the PRC government. Information developed by the Committee on this latter subject is particularly significant, as it points to a probable PRC government tie to the Sioeng family’s campaign contributions and, more generally, to its various activities in this country.

The connection is straightforward. Sioeng financed many of the family’s activities in this country -- including its political contributions -- through transfers of money from businesses in Hong Kong and China. Sioeng transferred some \$2.7 million from one such business, R.T. Enterprises Limited. Although Sioeng’s family has refused to provide any information to the Committee on this company, one document obtained by the Committee from another source provides a telling clue to the activities of R.T. Enterprises. The document shows a wire transfer from R.T. Enterprises to Loh Sun International Inc. in the amount of \$97,555.¹¹ Loh Sun is owned by Sioeng’s friend and business associate Kent La, who distributes Hongtashan cigarettes manufactured by Sioeng in Singapore. As discussed later in this chapter, the Hongtashan brand name is owned by the government of China, which has granted Sioeng rights to manufacture and

⁸ Senate Campaign Finance Report at 5584.

⁹ Statement on Behalf of Jessica Elnitiarta and Ted Sioeng, May 29, 1997. Ex. 9.

¹⁰ Senate Campaign Finance Report at 2501.

¹¹ Wire transfer from R.T. Enterprises to Loh Sun International in the amount of \$97,555, July 24, 1996. Ex. 10.

distribute its cigarettes in different parts of the world.

The \$97,555 wire transfer states that it is “for Hongtashan Advertising.”¹² The Committee has learned that Loh Sun advertises Hongtashan cigarettes in various U.S. publications, including the International Daily News, the newspaper Sioeng bought and transformed into a PRC-friendly daily.¹³ The Committee believes it is likely that R.T. Enterprises, which appears to have reimbursed Loh Sun for Hongtashan advertisements it placed in U.S. publications, is part of Sioeng’s foreign tobacco empire, and may be owned or funded in part by the PRC government. It, of course, would make sense for Sioeng and the Chinese government, partners in the manufacture and distribution of Hongtashan cigarettes, to fund attempts to establish a U.S. market for their product. That appears to be what was done through R.T. Enterprises.

The Committee’s belief is further supported by the fact that the International Daily News stood to benefit from Hongtashan advertising placed in the paper. Hence, if indeed R.T. Enterprises was owned or funded in part by the Chinese government, then, through R.T. Enterprises, the PRC would have been financially assisting Sioeng’s PRC-friendly publication. The Committee notes that the Senate Committee on Governmental Affairs concluded the International Daily News was purchased by Sioeng at the direction of or with encouragement from the PRC government.

The balance of this chapter describes in detail Sioeng’s business interests and relationships, and the political contributions he, his family, and his business associates made in 1995 and 1996. Of necessity, the Sioeng family’s finances are discussed in significant detail. All told, the chapter provides a glimpse of the Sioeng family’s sudden and complete immersion into political finances, and the extraordinary secrecy in which it cloaked these contributions once they were called into question by this Committee and the Senate.

II. BACKGROUND

A. Summary

1. Method and Complications

The Committee’s investigation of Ted Sioeng, his family and business associates involved subpoenas to more than 80 bank accounts, 50 of which were held by businesses. Committee investigators also obtained information from various federal law enforcement agencies, as well as public databases. The Committee deposed 13 individuals and interviewed 21 others regarding the political connections of Ted Sioeng, his family and business associates.

¹² Id.

¹³ Invoice from International Daily News to Loh Sun International for \$35,000, Feb. 7, 1996. Ex.11.

The investigation was seriously hampered by 28 witnesses who asserted their fifth amendment privilege against self-incrimination, fled the country, or simply refused to be interviewed in their home countries. The Committee also received incomplete or illegible bank records, and, despite numerous requests for bank records, the government of the People's Republic of China refused to cooperate.

2. Ted Sioeng, his Family and Associates

Sioeng holds a Belize passport. He has a house in Hong Kong and maintains a business address in Beijing. Ted Sioeng is married to Sundari Elnitiarta, an Indonesian national. They have two sons and three married daughters. The children all use their mother's maiden name of Elnitiarta. Laureen Elnitiarta, youngest of the Sioeng's daughters, is married to Subandi Tanuwidjaja, the son of a powerful Indonesian family. The Sioeng family also has business connections to the Tanuwidjaja family.

The Committee learned that, during the period under investigation, the Sioeng family regularly received money from overseas through U.S. bank accounts held by his sister, Yanti Ardi, an Indonesian resident. Jessica Elnitiarta, Sioeng's daughter, holds a power of attorney over Ardi's bank accounts. She also held power of attorney over a number of other family bank accounts. The Committee has determined that Yanti Ardi's accounts were used as a "clearing account" by the Sioeng family and their businesses.

Another Sioeng associate is Kent La, a U.S. permanent resident and owner of Loh Sun International, a corporation headquartered in Los Angeles. Sioeng and La are co-founders of the Alliance of Chinese-American Groups of USA.

B. Investigation Scope, Methodology and Complications

1. Scope

The Committee's investigation of campaign finance abuses inevitably lead to an examination of Ted Sioeng, his family members, and business associates. The Committee's interest in Sioeng was sparked by the large amounts of contributions made by Sioeng, his relatives and business partners; the fact the Senate Campaign Finance Report accused Sioeng of working for the benefit of the PRC government, and allegations by both the press and senators that there was a so-called "Chinese plan" to influence U.S. elections.¹⁴ As a result of those allegations, Committee investigators examined Ted Sioeng's political contributions and funding sources, and his foreign business interests and activities, including connections to foreign governments.

¹⁴ See Investigation on Illegal or Improper Activities in Connection with the 1996 Federal Election Campaign-Part I, Hearings before the Committee on Governmental Affairs, United States Senate, 105th Cong. 1st Sess. at 1.

Initially, the investigation into Sioeng's political contributions and funding focused on all contributions made between March 1992 through January 1997. Committee investigators noted that contributions of \$10,000 or more increased significantly during 1995 and 1996. Thus, later investigative efforts focused on these large contributions which coincided with state and local political campaigns in California during 1995, and the Presidential election in 1996.

The investigation of business interests and activity covered the period from January 1994 through January 1997, and included efforts to identify connections with officials of the governments of the PRC and Cambodia.

2. Methodology

The Committee's investigation of Ted Sioeng began in earnest in May 1997. Committee investigators subpoenaed bank records, obtained information from federal, state, and local governmental agencies, searched public databases, and conducted interviews and depositions.

More than 80 bank accounts were subpoenaed, which involved over 50 business entities operating in the United States and seven other countries. As a result, Committee investigators reviewed and analyzed more than 30,000 pages of canceled checks, electronic fund transfers, deposits, account statements, and supporting loan documents.

Committee investigators obtained information from the Departments of Justice, including the Immigration and Naturalization Service; State Department; and Treasury Department, including the U.S. Customs Service, and Bureau of Alcohol, Tobacco, and Firearms.

Through public databases, Committee investigators obtained published articles and corporation registrations in California, Hong Kong, Singapore, Indonesia, and Belize. Information on contributions was obtained from the Federal Election Commission, the Republican and Democratic National Committees, various state election offices, and the National Policy Forum.

Finally, information was obtained from 21 interviews and 13 depositions¹⁵ of various individuals.

3. Complications

The Committee's investigation was complicated by several major problems involving bank records, a lack of cooperation from the Chinese government, and the absence of witnesses.

The investigation of bank records was slowed by many transfers between accounts that appeared to constitute deliberate efforts to conceal the ultimate funding sources. Further, Committee investigators were unable to determine the business purpose for many transactions, including a number of checks made payable to cash. This was partially due to the lack of cooperation from

¹⁵ See "People Deposed by Government Oversight and Reform Committee."

Sioeng's accountant, Donald Lam. Additionally, banks could not locate all records the Committee requested and many copies of documents the Committee received were of very poor quality. However, the Committee's greatest obstacle was its inability to subpoena records for bank accounts maintained outside the United States, and no assistance from the Administration to force this issue.

The Chinese government also denied Committee investigators travel visas to enter Hong Kong and China. As a result, the Committee was unable to examine the source of millions of dollars that flowed from Hong Kong and Chinese bank accounts into U.S. bank accounts held by Sioeng family members and associates, and to interview witnesses residing in Hong Kong or the PRC. This impasse continues to this day, and makes it difficult to determine whether the Chinese government attempted to influence the outcome of U.S. elections.

Finally, 28 people either asserted their fifth amendment privileges against self-incrimination, fled the country, or simply refused to be interviewed, while remaining beyond the reach of Committee subpoenas.

One witness, Kent La, was granted congressional immunity and provided the Committee with a deposition. That testimony was subject to review and release by the U.S. Department of Justice (DOJ). Based upon their review, DOJ has indicated that the release of the deposition or testimony would compromise an ongoing criminal investigation.¹⁶

C. Ted Sioeng and his Family

Ted Sioeng, a foreign national,¹⁷ is also known as Sioeng San Wong,¹⁸ or by his Chinese name, Hsiung De-Lueng.¹⁹ Sioeng was born in Indonesia in 1945.²⁰ He has stated that he is of Indian and Indonesian descent but was raised by an ethnic Chinese family and considers himself Chinese.²¹ Along with his native Indonesian, he speaks three Chinese dialects and a limited

¹⁶ See Ex. 4.

¹⁷ Letter from Ann M. Harkins, Acting Assistant Attorney General, to Chairman Burton, May 1, 1998. Ex. 12.

¹⁸ Grand National Bank signature card, Sioeng San Wong, Feb. 3, 1992. Ex. 13.

¹⁹ Business card of Ted Sioeng. Ex. 14.

²⁰ See Ex. 13.

²¹ K. Connie Kang and David Rosenzweig, Entrepreneur Formed Ties with China, Then Politicians; Finances: Records, Interviews Show He Benefited from Beijing Business, Later Gained Access to Clinton, Gingrich, L.A. Times, May 18, 1997, part A, page 1.

amount of English.²² Several persons confirmed that Ted Sioeng could carry on a small conversation in English if it was spoken slowly and a lot of syllables weren't used, but that he preferred to use an interpreter for more technical conversations.²³

In 1989, through the Belize Economic Citizenship Investment Program, Sioeng became a Belize citizen.²⁴ After generous contributions to Iowa Wesleyan College,²⁵ Sioeng received an honorary degree of Doctor of Business Administration in 1993.²⁶ Thus, he is frequently referred to as Dr. Sioeng. He has a house in Hong Kong²⁷ and a prestigious office address in Beijing where the Chinese government welcomes foreign dignitaries.²⁸ Sioeng also travels extensively to the PRC and Southeast Asia.²⁹

Ted Sioeng is married to an Indonesian citizen, Sundari Elnitiarta, and they have two sons and three married daughters. According to Indonesian custom, the children use their mother's last name of Elnitiarta.³⁰ Sioeng's daughter, Laureen Elnitiarta, is married to Subandi Tanuwidjaja,³¹ a

²² Id.

²³ Deposition of Glenville Stuart, Feb. 18, 1998, at 59 [hereinafter Stuart Depo.]; Deposition of Robert Jack Prins, Jan. 27, 1998, at 49 [hereinafter Prins Depo.]; Deposition of Governor Gary Locke, July 7, 1998, at 65 [hereinafter Locke Depo.].

²⁴ Stuart Depo. at 21-23.

²⁵ Prins Depo. at 12, 16.

²⁶ Facsimile from Robert J. Prins, President, Iowa Wesleyan College, to David Rosenzweig, Los Angeles Times, Sept. 2, 1993. Ex. 15.

²⁷ Personal financial statement of Wong Sioeng San and Sundari Elnitiarta, Sept. 29, 1993; Grand National Bank commercial credit commitment report, Feb. 12, 1993. Ex. 16.

²⁸ Interview with Tei Fu Chen, President and CEO, Sunrider International, July 17, 1998.

²⁹ James Risen, FBI Said to Suspect Donor as Agent for China, L.A. Times, May 12, 1997, part A, page 1.

³⁰ Interview with Jessica Elnitiarta conducted by United States Senate Committee on Governmental Affairs, Special Investigation, June 19, 1997. [hereinafter Elnitarta interview]

³¹ Bruce Gilley, A Democratic Donor's Cambodian Connection, Wall St. J., Jan. 13, 1998.

DNC contributor³² and the son of Sioeng business associate, Susanto Tanuwidjaja.³³

Sioeng's sister is Yanti Ardi.³⁴ Committee investigators traced Ardi to her home outside Jakarta, Indonesia, but were unable to persuade Ardi to submit to an interview.³⁵

Sioeng and his family emigrated to California in 1986.³⁶ However, Sioeng has spent only brief periods in the United States. Except for Ted Sioeng, most of his family are U.S. legal permanent residents.³⁷

The following table shows the Sioeng family members' date and country of birth, citizenship status, and, to the best of the Committee's knowledge, present location.

Table 1: Sioeng Family Members' Date and Country of Birth, Citizenship Status and Present Location.

Family Member	Date and Country of Birth	Citizenship Status	Present Location
Ted Sioeng	11/16/45 Indonesia	Belize	Hong Kong/Asia
Sundari Elnitiarta	10/12/46 Indonesia	Indonesia/U.S. Legal Permanent Resident	Hong Kong
Jessica Elnitiarta	3/28/67 Indonesia	Indonesia/U.S. Legal Permanent Resident	California
Sandra Elnitiarta	3/30/72 Indonesia	Indonesia/U.S. Legal Permanent Resident	Hong Kong
Laureen Elnitiarta	9/27/73 Indonesia	Indonesia/U.S. Legal Permanent Resident	Hong Kong/ Indonesia

³² See "Democratic Contributions," this chapter.

³³ Interview of Margaret Ng, July 23, 1998.

³⁴ Elnitarta Interview.

³⁵ Photographs of Yanti Ardi's home in Jakarta, Indonesia, Ex. 17.

³⁶ Elnitiarta interview.

³⁷ INS records and Grand National Bank signature card for account of Sundari, Sandra, and Laureen Elnitiarta, April 12, 1993. Ex. 18.

Yaohan Elnitiarta	7/5/75 Indonesia	Indonesia/U.S. Legal Permanent Resident	New York
Yopie Elnitiarta	7/18/76 Indonesia	Indonesia/U.S. Legal Permanent Resident	Hong Kong
Ridwan Dinata	2/9/66 Indonesia	Indonesia/U.S. Legal Permanent Resident?*	California
Didi Kurniawan	11/19/67 Indonesia	Indonesia/U.S. Legal Permanent Resident?*	Hong Kong
Subandi Tanuwidjaja	5/13/65 Indonesia	Indonesia/U.S. Legal Permanent Resident	Hong Kong/ Indonesia
Yanti Ardi	8/30/35 China	Indonesia	Indonesia

*the Immigration and Naturalization Service has been unable to confirm immigration status

As indicated above, most of the Sioeng family has left the United States. The three family members remaining here have indicated through their attorney that, if forced to testify before this Committee, they will assert their fifth amendment privilege against self incrimination.³⁸

D. Sioeng's Connections to the Tanuwidjaja Family

The Sioeng family is related to the powerful Tanuwidjaja family of Indonesia through marriage and millions of dollars in business transactions. The Tanuwidjaja family is headed by patriarch Susanto Tanuwidjaja, whose Susanto Group includes Sino Bank, as well as textile, umbrella, and apparel factories in Indonesia.³⁹ The Tanuwidjajas also have businesses in Hong Kong, including a controlling interest in the Millennium Group (formerly Allied Industries International).⁴⁰ Millennium Group, which is listed on the Hong Kong Stock Exchange, has many investments in the PRC.⁴¹ By April 1998, the Millennium Group had acquired 100% of Sioeng's Worldwide Golden Leaf.⁴²

³⁸ Letter from Mark H. MacDougall to Chairman Burton, April 23, 1998. Ex. 19. Letter from Thomas P. McLish to Michael D. Bopp, March 10, 1998. Ex. 20. Letter from Mark J. MacDougall to Richard D. Bennett, Feb. 16, 1998. Ex. 21

³⁹ Sino Bank Web site, <<http://www.banksino.co.id/infogroup2.html>>, Ex. 22.

⁴⁰ Denise Tsang New-look Allied to Ease Burden, S. China Morn. Post, April 19, 1997.

⁴¹ Id.

⁴² Bruce Gilley, Hong Kong: Nicotine Fix, Far East Econ. Rev., April 2, 1998.

Another Tanuwidjaja business in Hong Kong is Dragon Union, Ltd., of which Susanto's son Subandi is the sole corporate director.⁴³ The Committee found that the Tanuwidjajas have paid \$23 million of vendor invoices on behalf of Sioeng's World Seal operations in mainland China, primarily through the Tanuwidjajas and Dragon Union.⁴⁴ In late 1996, the Susanto Group closed its only active U.S. business in California, CAS, a clothing manufacturer, importer, and distributor.⁴⁵

Margaret Ng, the former senior vice president and general manager of CAS stated the company had an ongoing business relationship with Dragon Union.⁴⁶ She further stated that Dragon Union served as CAS's agent in Hong Kong, and that they placed orders for goods for CAS in Asia.⁴⁷ According to Ng, it was not unusual for money to flow from CAS to Dragon Union; however, it was very odd to find such large amounts of money flowing from Dragon Union to CAS.⁴⁸ Ng explained that CAS was one of Dragon Union's biggest customers, therefore, the size of Dragon Union was directly related to the amount of business CAS gave it.⁴⁹ Ng stated that CAS did very little business with Dragon Union in 1996, in fact, Ng claimed that CAS's business with Dragon Union had dropped to "almost none."⁵⁰

Besides the business relationships with Ted Sioeng, the Tanuwidjajas have a personal one. Subandi Tanuwidjaja married Sioeng's youngest daughter, Laureen Elnitiarta, in Hong Kong in November 1996.⁵¹ Subandi Tanuwidjaja left the U.S. in early 1997, a year after his sister, Suryanti, had moved to Singapore.⁵² They, therefore, are not available to provide further information on their political contributions and ties with Ted Sioeng or his family.⁵³

⁴³ Dragon Union Limited notice of change of directors, Jan. 27, 1997. Ex. 23.

⁴⁴ Invoices from World Seal Limited to Sunrider Manufacturing, L.P., July 11, 1996 to Jan. 24, 1997. Ex. 24.

⁴⁵ The Ta, Tanuwidjaja Donations Came in Fall, Dow Jones News, Aug. 10, 1997.

⁴⁶ Interview of Margaret Ng, July 23, 1998. [hereinafter Ng Interview]

⁴⁷ Id.

⁴⁸ Id.

⁴⁹ Id.

⁵⁰ Id.

⁵¹ Bruce Gilley, A Democratic Donor's Cambodian Connection, Wall St. J., Jan. 13, 1998.

⁵² Ng Interview.

⁵³ The Ta, Tanuwidjaja Donations Came in Fall, D. J. News, Aug. 10, 1997.

E. Sioeng's Connections to Kent La

Kent La is a U.S. legal permanent resident and is also known by his Chinese name, Lo Wen Zheng.⁵⁴ La is President of Loh Sun International in California which is the U.S. distributor for Hongtashan cigarettes.⁵⁵ Ted Sioeng's connections to Kent La include the Alliance of Chinese-American Groups and the sale of Hongtashan cigarettes. In addition to their ties through cigarettes, La and Sioeng may be involved in other business ventures. For example, Committee investigators found that \$1.8 million of invoices for Sioeng's World Seal operations in China were paid in January 1997 from a Hong Kong bank account in the name of Kent La and Yopie Elnitiarta.⁵⁶

In addition, Sioeng and La started and funded the Alliance of Chinese-American Groups of USA. The Alliance is pro China and Kent La serves as its President.⁵⁷ The Committee has subpoenaed records from the Alliance, but to date has received nothing.⁵⁸

On its third attempt, in June 1998, the Committee granted Kent La immunity in order to ask him about the political contributions and business activities as a close associate of Ted Sioeng and his family.⁵⁹ However, La's deposition remains under seal, as the Department of Justice has determined that the release of the transcript and/or public testimony would compromise an ongoing federal criminal investigation.⁶⁰

F. The Yanti Ardi Clearing Account

Most of the foreign money the Committee identified flowed into two personal bank accounts in

⁵⁴ Kent La Welcome to the Hong Ta Shan Badminton Invitational. Ex. 25.

⁵⁵ *Id.* See also Elnitiarta interview.

⁵⁶ Wire transfer from Kent La and Yopie Elnitiarta to Sunrider Manufacturing in the amount of \$1,830,039, Jan. 22, 1997. Ex. 26.

⁵⁷ Alliance of Chinese-American Groups of USA, California Secretary of State registration, incorporated Feb. 1, 1996. Ex. 27.

⁵⁸ Subpoena issued by the Committee on Government Reform and Oversight to the Alliance of Chinese-American Groups of USA, April 1, 1998. Ex. 28.

⁵⁹ Letter from Chairman Burton to Laura S. Shores, June 23, 1998. Ex. 29.

⁶⁰ See Ex. 4.

the name of Ted Sioeng's sister, Yanti Ardi, a foreign national who resides in Indonesia.⁶¹ These accounts, maintained at the Grand National Bank, which is 18% owned by the Sioeng family,⁶² are primarily controlled by Jessica Elnitiarta through a power of attorney.⁶³ Based upon an extensive review of bank records, Committee investigators determined that Yanti Ardi's accounts were used by the Sioeng family as a clearing account. The account's incoming deposits were primarily wire transfers from foreign accounts, which Jessica Elnitiarta quickly disbursed to Sioeng family members and businesses based upon cash needs or instructions from her father.

The table below summarizes the sources and uses of deposits and disbursements of \$1,000 or more for Yanti Ardi's two Grand National Bank accounts over the three year period ending December 31, 1996. As the table indicates, about \$26.5 million was deposited and disbursed from the two accounts. The primary source of account deposits was about \$19.7 million of wire transfers from foreign bank accounts, mainly in Hong Kong or China. About \$5.3 million came from various family businesses and personal bank accounts in California. The primary account disbursements were about \$14.3 million to various family business and personal bank accounts and about \$6.8 million to repay bank loans. About \$3.6 million of account disbursements were wire transfers to foreign bank accounts, mainly in Hong Kong or China.

Table 2: Yanti Ardi Deposits and Disbursements (\$1,000 or more)
for the 3 Years Ending December 31, 1996 (\$ in millions)

DEPOSITS	DISBURSEMENTS	SOURCE/USE OF FUNDS
\$19.7	\$3.6	Foreign accounts from/to
4.4	9.3	Sioeng family businesses from/to
.9	5.0	Sioeng family personal accounts from/to
.7	6.8	Bank loan proceeds/payments
.5	.3	Certificates of deposit proceeds/purchases
-	1.3	Supplier payments
.3	.2	Unknown
\$26.5	\$26.5	Total

G. Glossary of Names

⁶¹ Grand National Bank signature card and passport of Yanti Ardi with power of attorney over account by Jessica Elnitiarta, Oct. 10, 1991. Ex. 30.

⁶² Grand National Bank shareholder list, June 30, 1997. Ex. 31.

⁶³ Grand National Bank Durable Power of Attorney, Dec. 20, 1995. Ex. 32.

A glossary of names of persons significant to the Sioeng investigation are presented below. The names are organized by the different associations they have to Ted Sioeng or the investigation. The glossary should assist readers throughout this chapter and gives a sense of the complexities the Committee faced in the Sioeng investigation. Note that Chinese last names are presented first.

1. Sioeng Family Members

Ted Sioeng (Shong) (aka **Sioeng San Wong**, or by his Chinese name, **Hsiung De-Lueng**) - Patriarch of the family. He made \$50,000 in donations to Republican Matt Fong and sat at the head table at five separate DNC fundraisers. He has left the U.S.

Sundari Elnitiarta (El-nit-e-are-ta) (Chinese name **Nie San Nio**) - Wife of Ted Sioeng. She attended at least one fund-raiser with her husband. She has left the U.S.

Jessica Elnitiarta (Chinese name **Nie Shiat Chen**) - Eldest daughter of Ted Sioeng. She operates Ted Sioeng's U.S. businesses and contributed \$250,000 to the DNC. She has asserted the fifth amendment privilege against self incrimination.

Ridwan (Rick) Dinata (Chinese name **Kim Liang Lie**) - Married to Jessica Elnitiarta. He operates a gun and ammunition store in Alhambra, California. He has asserted the fifth amendment privilege against self incrimination.

Sandra Elnitiarta - Second daughter of Ted Sioeng. She is involved in several of Ted Sioeng's U.S. and overseas businesses. She has left the U.S.

Didi Kurniawan (Kur-nee-ah-wan) - Married to Sandra Elnitiarta. He works for Ted Sioeng in Hong Kong. He also attended several DNC events and a meeting with Speaker Gingrich in Washington, DC. He has left the U.S.

Laureen Elnitiarta - Third and youngest daughter of Ted Sioeng. She is involved in several of Ted Sioeng's U.S. businesses. She has left the U.S.

Subandi (Sue-bon-dee) **Tanuwidjaja** (Tan-u-wid-jaya) - Married to Laureen Elnitiarta. He operated several U.S. businesses until early 1997. He also contributed \$80,000 to the DNC. He has left the U.S.

Yopie (Yo-pee) **Elnitiarta** - Eldest son of Ted Sioeng. He operates several Sioeng's overseas business and attended several DNC fundraisers. He has left the U.S.

Yaohan (Yo-han) **Elnitiarta** - Youngest son of Ted Sioeng. He has asserted the fifth amendment privilege against self incrimination.

Suryanti (Sur-yon-ti) **Tanuwidjaja** - Subandi's sister. She contributed \$20,000 to the DNC. She has left the U.S.

Susanto Tanuwidjaja - Father of Subandi and Suryanti and patriarch of the overseas business. Business associate and in-law of Ted Sioeng. He has left the U.S.

Yanti Ardi - Ted Sioeng's sister and Jessica Elnitiarta's aunt who lives in Indonesia. Money from overseas accounts was transfer into her account before being routed to family members and businesses and political contributions by Jessica Elnitiarta who has power of attorney over the account. She is a foreign witness that the Committee has been unable to interview.

Nanny Nitiarta - Sister of Sundari Elnitiarta and Jessica Elnitiarta's aunt who lives in Indonesia. Money from overseas accounts was transfer into her account before being routed to family members and businesses by Jessica Elnitiarta who has power of attorney over the account. She is a foreign witness that the Committee has been unable to interview.

2. Friends and Business Associates

Kent La (Chinese name, **Lo Wen Zheng**) - President of Loh Sun International, importer of Hongtashan cigarettes, and close business associate of Ted Sioeng. He contributed \$50,000 to the DNC. La originally asserted the fifth amendment privilege against self incrimination but has been granted immunity by the Committee.

Simon Chen - Former owner of the International Daily News. He has asserted the fifth amendment privilege against self incrimination.

Sioeng Fei Man Hung - Current editor-in-chief of the International Daily News. Former President of the China News Agency in New York. He has asserted the fifth amendment privilege against self incrimination.

Lay Kweek Wie - Long time friend and business associate of Ted Sioeng who served as a director for several Sioeng family companies. He has asserted the fifth amendment privilege against self incrimination.

Bun Tsun (Benson) Lai - Son of Kweek Wie Lay, employed by the Sioeng family. He has asserted the fifth amendment privilege against self incrimination.

Li Kwai Fai - President and CEO of LuDanlan Group in Guangzhou, PRC, and business associate of Sioeng. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request. He attended the Hay-Adams DNC event where he sat at the head table with President Clinton. He is a foreign witness that the Committee has been unable to interview.

Bruce Cheung - Singapore permanent resident and President of Chinois Tobacco, Sioeng's tobacco company in Singapore. He attended the Hay-Adams DNC event as Ted Sioeng's guest. He is a foreign witness that the Committee has been unable to interview.

Ambrose Hsuing - Canadian representative of Panda Industries and Vice-President of Sioeng Group. He resides in Vancouver, Canada. He has refused to cooperate and the Committee has been unable to interview him.

Tsang Hin Chi - Managing Director of Goldlion Ltd and business partner of Ted Sioeng. He has also been twice convicted of mislabeling goods. Tsang is the Standing Committee Member, The 8th and 9th People's Congress of the Peoples Republic of China; and a Member, Preparatory Committee of the Hong Kong Special Administrative Region. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request. He is a foreign witness that the Committee has been unable to interview.

Jimmy Chi Mai Mao Tsang - President of Goldlion International and Tsang Hin Chi's son. He attended the Hay-Adams event at Ted Sioeng request and had pictures taken with President Clinton. He is a foreign witness that the Committee has been unable to interview.

Jean Lim Tsang - Jimmy Tsang's wife. She attended the Hay-Adams event at Ted Sioeng request and had pictures taken with President Clinton. She is a foreign witness that the Committee has been unable to interview.

Chu Shijian - Former manager of the state owned Yuxi Cigarette Factory in Yunnan Province, who rose to become chairman of the Hongta Tobacco Group in 1995. Through Chu, Ted Sioeng was awarded lucrative distribution rights for exporting Hongtashan cigarettes. In January 1998, the Communist Party of China expelled Chu for public corruption and charged him and several family members with accepting bribes and embezzling about \$10 million.

Chu Yibin - Attended the Hay-Adams event as Ted Sioeng's guest with Bruce Cheung and had pictures taken with President Clinton. May be related to Chu Shijian.

Sylvana Djojmartono - Employee of the Sioeng's Hollywood Metropolitan Hotel. She made conduit payment of \$1,100 to Gary Locke's (D-WA) campaign. She has asserted the fifth amendment privilege against self incrimination.

Gretel Pollard - Employee of the Sunset Market and Liquor, owned by Sioeng associate Glenville Stuart. Pollard contributed \$1,100 to Gary Locke (D-WA).

Chew Nin Kim - Officer of Supertrip Travel, located in Sioeng's hotel. Chew contributed \$1,100 to Gary Locke (D-WA).

Yen Chu (Margaret) Kim - Officer of Supertrip Travel, located in Sioeng's hotel. Yen contributed \$1,100 to Gary Locke (D-WA).

Chen Lo Jun - Leader of Hainan (Province) Tobacco Study Delegation. He received an honorary degree from American M&N University at Ted Sioeng's request.

Chio Ho Cheong (aka Chen Kai Kit, aka Tommy Chio) - Supposed head of Ang-Du International, Macau legislator, and casino operator. He received an honorary degree from American M&N University at Ted Sioeng's request. He attended the Sheraton Carlton event as Ted Sioeng's guest, sat at the head table, and had pictures taken with President Clinton.

Guo Zhong Jian - Deputy General Manager of China Construction Bank - Hong Kong Branch. He received an honorary degree from American M&N University at Ted Sioeng's request. He attended Sheraton Carlton event as Ted Sioeng's guest and had pictures taken with President Clinton.

Lin Fu Qiang - Managing Director of Everbrite Asia Limited. He received an honorary degree from American M&N University at Ted Sioeng's request. He attended Sheraton Carlton event as Ted Sioeng's guest and had pictures taken with President Clinton.

Chan Elsie Y.Z. - Managing Director of Ang-Du International and former Hong Kong movie star. She received an honorary degree from American M&N University at Ted Sioeng's request. She attended Sheraton Carlton event as Ted Sioeng's guest, sat at the head table, and had pictures taken with President Clinton..

He Jian Shan - Attended Sheraton Carlton event as Ted Sioeng's guest and had pictures taken with President Clinton.

Tong Yun Kai - Chinese businessman and member, Guangdong Province and Fo Shan City Committees of Chinese People's Political Consultative Conference. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Feng Shu Sen - Former Counsel General for the People's Republic of China Consulate in Los Angeles and a friend of Ted Sioeng's from Yunnan Province. He attended many social functions with Ted Sioeng.

Zhou Weng Zhong - Former Counsel General of the People's Republic of China's Consulate in Los Angeles and former Minister and Deputy Chief of the Mission for the Embassy of the People's Republic of China. Ted Sioeng assisted in getting Zhou's daughter into Iowa Wesleyan College.

Yang Youzhu - Officer and Director of China National Tobacco Corporation, Yunnan Province. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Tie Zhengguo - Officer and Director of China National Tobacco Corporation, Yunnan Province. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Deng Jiazhen - Officer and Director of China National Tobacco Corporation, Guangxi Province. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Theng Bunma - Cambodian tycoon banned by the State Department from entering the United States due to suspected drug trafficking and business partner of Ted Sioeng. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request and attended Laureen Elnitiarta's wedding in Hong Kong.

Hun Sen - Former Khmer Rouge leader and ruler of Cambodia under the Vietnamese. He orchestrated a coup in 1997 to oust the first Prime Minister. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request and attended Laureen Elnitiarta's wedding in Hong Kong.

Sok An - Minister in Charge of the Presidency and the Council of Ministers in Cambodia. He serves as Hun Sen's spokesman and liaison to the Chinese embassy. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Tony Tandijono - Runs one of two licensed casinos in Phonm Penh, Cambodia and part owner of a weapons firing range north of that city. Business partner of Sioeng in a cigarette factory in Cambodia. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Sophia Wong - Friend and business partner of Jessica Elnitiarta. She is half owner of Vision Builders with her brother Dennis that built Benner Apartments owned by Sophia and Jessica.

Teng Meini (Mary) - Chinese national and president of Guangdong Travel. She was a former employee of China state-owned China Travel Service.

Pu Xiang - Chinese national and manager of Dragon Rainbow Medicine & Equipment of Yunnan, China. He wired transferred \$1 million into account of Yanti Ardi.

Shiping Xu - Chinese national, and officer and director of Seagull International.

Guo Lin - Chinese national, and officer and director of American Guizhou Pacific.

Feng Qian - Chinese national, and officer and director of American Guizhou Pacific.

He Jianghui - Chinese national, and president, director, and one third owner of Pacific Hotel Investment.

John Huang - Former Commerce Department employee and DNC fundraiser who solicited contributions from the Sioengs. Jessica Elnitiarta referred to him as "Uncle Huang." He has asserted the fifth amendment privilege against self incrimination.

Maria Hsia - DNC fundraiser who along with John Huang organized the April 26, 1996 Buddhist Temple fundraiser attended by Vice President Gore. She has asserted the fifth amendment privilege against self incrimination.

3. People Deposed by Government Reform and Oversight Committee

Robert Prins (also interviewed) - President of Iowa Wesleyan College. He awarded Ted Sioeng an honorary degree in 1993 and made him a trustee of the college. He also awarded 14 honorary degrees to Sioeng's associates at Sioeng's request.

Cary Ching (also interviewed) - President of the Grand National Bank, which is 18% owned by the Sioeng's family.

Lily Wong (also interviewed) - President of the US-China Chamber of Commerce and friend of the Sioeng family.

Johnny Ma (also interviewed) - President of Sideffects and the California Chinese-American Investment and Development (CCAID) Group. Former Sioeng business associate who assisted Sioeng in bringing Chinese officials to the United States for tours.

Glenville Stuart - Belize citizen and Sioeng's business partner in Belize tobacco factory venture. He also is the owner of a liquor store at Sioeng's Hollywood Metropolitan Hotel complex.

Haddi Kurniawan (also interviewed) - Father of Didi Kurniawan who sold Sioeng tobacco machinery and toured his plant in Yunnan, China.

Matt Fong (two volumes) - California Republican candidate for U.S. Senate and California State Treasurer. He received \$100,000 from Sioeng and his company, Panda Industries, which he later returned.

Dr. Daniel Wong (also interviewed) - California Republican, Doctor of Medicine and former Mayor of Cerritos, California. He received \$5,000 from Sioeng's wife, Sundari, which a Senate report claimed came the Chinese Consulate through Sioeng's Hollywood Metropolitan Hotel.

Hoa Bang Huynh (also interviewed) - Cambodia Importer/Exporter located in Los Angeles and former business partner in Sioeng's Cambodian tobacco factory venture. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.

Joseph Sandler - DNC General Counsel.

Steven Walker, Jr.- Former Controller for the National Policy Forum.

Governor Gary Locke (D)- Governor of Washington State. He received \$8,700 of contributions from Sioeng family members, business associates, and employees.

Kent La - See above.

4. People Interviewed by Committee Investigators

Simon Chen - See above.

Julia Wu - Republican member of Los Angeles County Community College Trustees with some knowledge of Ted Sioeng. Her husband and campaign Treasurer **Alfred Wu** received \$20,000 from Kent La and Bun Tsun Lai.

Norman Hsu - Republican member of the Hacienda La Peunte Unified School District and current candidate for State Assembly. He received \$7,500 from Ted Sioeng for his last school board election.

Jerry Sun - Vice President of Minmet K.N. (USA) Inc. of Houston, Texas. He attended an honorary degree ceremony hosted by Ted Sioeng at the Hollywood Metropolitan Hotel and is the cousin of Simon Chen.

Mike Woo - Former candidate for Mayor of Los Angeles. He received several small contributions from Sioeng's family.

David Lang - Los Angeles fund raiser who solicited the contributions for Mike Woo and Governor Gary Locke (D-WA).

Gary Kroener - Director of Operations, Sunrider Manufacturing, L.P who conducted business with Victory Trading Co. and World Seal in Hong Kong.

Thomas Shea - Office Manager, Alhambra Chamber of Commerce.

Elaine Dung - Office Manager, Monterey Park Chamber of Commerce.

Peter Woo & Charles Woo - DNC contributors who attended the Sheraton Carlton event.

Tom Chang - Controller, Tehdex Corp.

Karen Elia - Assistant Manager, Oak Hill Apartments, Montebello, CA.

Christopher Davis - Director, ACI International, Inc.

Margaret To - Marketing Director, Asia Pacific.

Andrew Cherng - President and Chief Executive Officer, Panda Management Co. He attended the Hay-Adams event and sat at the head table.

Katrina Lai - Daughter of Lay Kweek Wie and sister of Bun Tsun Lai.

Dr. Tei Fu Chen - President of Sunrider, Inc.

Dr. Nancy Chien (Chinese name **Chen Hwa Tsai Liu**) - President of American M&N University

Margaret Ng - former Senior Vice President and General Manager of CAS, Inc., a Tanuwidjaja company.

Mr. Boy Z. Lilipaly - President, P.T. Mandiri Traktor Utama & Mandiri Group.

Mr. Sunaryo Adam Kesuma - President, P.T. Bank Sino.

III. SIOENG’S U.S. BUSINESS INTERESTS

A. Summary

The Committee found that Ted Sioeng owns or controls 20 businesses --in seven different industries-- within the United States. All of these corporations are located in California. The Committee also found that many of these businesses are actually run by Jessica Elnitiarta, who a Grand National Bank credit report described as being “the right hand person to her father, Ted Sioeng.”⁶⁴ The bank noted that Ms. Elnitiarta “spends much of her time coordinating his U.S. investments.”⁶⁵ Committee investigators developed information suggesting that, while Jessica Elnitiarta ran many of the family’s businesses in the United States, major decisions were made by her father, Ted Sioeng.

Committee investigators also found documentary evidence endorsing Elnitiarta’s previous statement that “the source of her father’s funds are his businesses abroad.”⁶⁶ Specifically, Committee investigators have determined that although some of the Sioeng family’s U.S. businesses generated domestic cash flow, foreign money clearly was needed to sustain their overall business operations. Those foreign funds were regularly provided to Sioeng’s U.S. businesses. Committee investigators also determined that some of this foreign money was used to fund contributions to American political campaigns.

B. The Sioeng Family Businesses in California

Committee investigators identified approximately 20 Sioeng family businesses in California which operated in seven different industries.

⁶⁴ See Ex. 16.

⁶⁵ Id.

⁶⁶ Elnitiarta interview.

Real Estate

Committee investigators identified five Sioeng family real estate operations involving commercial and residential properties. These operations provided the family with a safe investment for Ted Sioeng's foreign money and enabled family members to acquire equity and a source of collateral to obtain bank loans. The companies are described below:

- **Panda Estates Investment, Inc.** was incorporated in April 1993 to build, own, and manage Doheny Estates, a 14-unit condominium property in Beverly Hills, California. Jessica Elnitiarta is the sole corporate officer, director, and stockholder.⁶⁷ In December 1995, Panda Estates donated \$50,000 to the California State Treasurer campaign of Matt Fong.⁶⁸ In July 1996, the company contributed \$150,000 to the DNC.⁶⁹
- **Panda Property Holdings, Inc.** was incorporated in September 1996, and owns 808 Tower, a commercial office building in Los Angeles, California. Jessica Elnitiarta is the sole corporate officer and director.⁷⁰
- **Euclid Medical Center** consists of two commercial and three residential rental properties in Fullerton, California. The properties were purchased in October 1991 by Jessica, Sandra, and Laureen Elnitiarta.⁷¹
- **Benner Property, Inc.** incorporated in April 1994, built and now manages a 10-unit apartment building in Pasadena, California. Jessica Elnitiarta is a director, president, and half owner. Her friend and associate, Sophia Wong, is the remaining director, officer, and owner. The building is co-owned by Jessica Elnitiarta and Sophia Wong.⁷²
- **Sioeng's Group, Inc.** was incorporated in June 1996 and is a holding company that owns

⁶⁷ Doheny Estate Investment, Inc. articles of incorporation, April 15, 1993. Ex. 33.

⁶⁸ Check # 1446 from Panda Estates Investment Inc. to Matt Fong for State Treasurer in the amount of \$50,000, Dec. 14, 1995. Ex. 34.

⁶⁹ Check # 1632 from Panda Estates to the DNC in the amount of \$100,000, July 12, 1996; Check # 1652 from Panda Estates to the DNC in the amount of \$50,000, July 29, 1996. Ex. 35.

⁷⁰ Panda Property Holdings, Inc. articles of incorporation and statement of domestic stock corporation, Sept. 24, 1996. Ex. 36.

⁷¹ See Ex. 40.

⁷² Benner Property, Inc., California Secretary of State corporate record, April 26, 1994. Ex. 37.

the stock of Chen International Publications⁷³, publisher of the International Daily News. Jessica Elnitiarta is the sole corporate officer and director.⁷⁴ She also holds the largest share of stock with the remaining shares owned by her mother and her four siblings.⁷⁵ Ted Sioeng served as the chairman of the board of directors and president of Chen International Publications until April 1997.⁷⁶

Other property owned by members of the Sioeng family include five residential properties and a vacant commercial lot.⁷⁷

Trading

Committee investigators identified eight trading companies owned or controlled by the Sioeng family, some of which did business with Sioeng's foreign companies. The Committee notes that, as the campaign finance scandal stories began to break in late 1996, all of the firms listed below began to shutdown operations or dissolve:

- **Guangdong China Travel Service Incorporated (U.S.A.)**, was incorporated in May 1995.⁷⁸ The company discontinued operations in June 1996 when the corporate bank account was closed and all remaining funds were deposited into Jessica Elnitiarta's personal bank account.⁷⁹ Through another Sioeng Company, CCAID Executive Program, Inc.,⁸⁰ Guangdong China Travel Service did a limited business in making travel arrangements for U.S. tours by Chinese government officials. The president of Guangdong was a Chinese national, Meini Teng, who formerly worked for the Chinese state-owned

⁷³ Letter from Akin, Gump, Strauss, Hauer, & Feld, counsel for Jessica Elnitiarta, to John H. Cobb, Counsel, United States Senate Committee on Governmental Affairs, Special Investigation, June 18, 1997. Ex. 38.

⁷⁴ Sioeng's Group, Inc. articles of incorporation, June 26, 1996; statement by domestic stock corporation, Sept. 5, 1996. Ex. 39.

⁷⁵ See Ex. 38.

⁷⁶ See Ex. 80.

⁷⁷ Various property records for Los Angeles County, CA. Ex. 40.

⁷⁸ Guangdong China Travel Service Inc. (U.S.A.) articles of incorporation, May 22, 1995; statements of domestic stock corporation, Oct. 6, 1995 and Oct.25, 1995. Ex. 41.

⁷⁹ Check # 1037 from Guangdong Travel to Jessica Elnitiarta in the amount of \$5,299.02 with deposit slip, June 21, 1996. Ex. 42.

⁸⁰ Deposition of Johnny Ma, page 15, Feb. 12, 1998. [hereinafter Ma Depo.]

China Travel Service in Guangzhou, China.⁸¹ In October 1995, Teng was replaced as president by Jessica Elnitiarta, who also became the sole corporate officer and a director.⁸² Mr. Sioeng and Xiashong Chen, another Chinese national, served as the company's other two directors.⁸³

- **Supertrip Travel Service, Inc.**, was incorporated in January 1991. The company discontinued operations in December 1996 when the corporate bank account was closed. Ted Sioeng became president of Supertrip on March 8, 1995. Chew Nin Kim served as chief financial officer and director, and his wife Yen Chu (Margaret) Kim served as corporate secretary and director. The Sioengs made numerous payments to Supertrip, including a \$10,000 loan by Jessica Elnitiarta on July 15, 1996 which the next day was paid to Kent La's Loh Sun International.⁸⁴ The Kims also appeared to have made conduit political contributions from the Sioengs to the Governor Gary Locke campaign.⁸⁵
- **American Guizhou Pacific Corp** was incorporated in October 1989. The company discontinued operations in November 1996 when the corporate bank account was closed and all remaining funds were deposited into Mr. Sioeng's personal bank account. Its corporate filings indicated that the firm engaged in international trade in chemicals and machinery. Ted Sioeng served as corporate president and a director. Other officers and directors included Sioeng associate Lay Kweek Wie, who has asserted his privilege against self-incrimination in response to a Committee subpoena, and Jessica Elnitiarta. On February 2, 1994, all corporate officers and directors were replaced by Chinese nationals, Guo Lin and Feng Qian.⁸⁶

Through an examination of bank records, Committee investigators determined that the

⁸¹ Letter from Robert J. Prins, President, Iowa Wesleyan College, to Teng Mei Ni, Dec. 8, 1994. Ex. 43.

⁸² See Ex. 41.

⁸³ Id.

⁸⁴ Supertrip Travel Service, Inc. articles of incorporation, Jan. 8, 1991; statements of domestic stock corporation, Mar. 8, 1994 and Mar. 8, 1995; Grand National Bank signature card for Supertrip Travel, Mar. 9, 1995; check #164 from Jessica Elnitiarta to Supertrip Travel in the amount of \$10,000, July 15, 1996; and check #2242 from Supertrip Travel to Loh Sun International in the amount of \$10,000, July 16, 1996. Ex 44.

⁸⁵ See, "Contributions to Gary Locke."

⁸⁶ American Guizhou Pacific Corporation statements by domestic stock corporation, Oct. 7, 1989, April 11, 1990, July 8, 1991, Feb. 2, 1994; unnumbered check from American Guizhou to Sioeng San Wong in the amount of \$108,128.01, Oct. 31, 1996. Ex. 45.

American Guizhou's primary financial activity was to earn interest on \$100,000 transferred from another Sioeng company, Panda Industries, Inc. According to INS officials, this limited activity may have been used as justification to extend the U.S. visas of the two Chinese nationals appointed as corporate officers and directors, which were due to expire on March 26, 1994.⁸⁷ Democratic fundraiser Johnny Chung reportedly used a similar tactic to set up fake businesses in California, in an effort to obtain U.S. visas for a half-dozen Chinese executives.⁸⁸

- **American Dragon Skies, Inc.** was incorporated in July 1993 and was dissolved in January 1998.⁸⁹ Yopie and Jessica Elnitiarta served as corporate officers and directors along with Chinese national, Pu Xiang, manager of the Dragon Rainbow Medicine & Equipment Company in Yunnan, China.⁹⁰

According to its incorporation papers, the company was established in the import/export trades, perhaps in medical equipment. Committee investigators concluded that the company was either inactive or a shell corporation, as the investigation could find no evidence of company business or financial activity. However, Committee investigators noted that on January 17, 1995, Pu Xiang wired almost \$1 million from a bank account in Hong Kong into the personal U.S. bank account of Yanti Ardi.⁹¹ Jessica Elnitiarta then used this money to pay off a family bank loan.⁹²

- **Goldlion International USA, Inc.** was established in July 1995 and discontinued operations in February 1997. According to incorporation records, Goldlion was established for the purpose of import/export trade in garment and leather goods.⁹³ Committee investigators determined that the business was primarily funded by wire

⁸⁷ Briefing by Immigration and Naturalization Service to staff of Government Reform and Oversight Committee, May 4, 1998.

⁸⁸ George Lardner, Jr., Fund-Raiser Set Up Fake Firms for Chinese, Wash. Post, Sept. 21, 1998 at A2.

⁸⁹ American Dragon Skies, Inc. statement of domestic stock corporation, Aug. 16, 1995 and certificate of dissolution, Mar. 4, 1998. Ex. 46.

⁹⁰ Id. See also business card of Pu Xiang. Ex. 47.

⁹¹ Wire transfer from Pu Xiang to Yanti Ardi in the amount of \$996,088.15, Jan. 17, 1995. Ex. 48.

⁹² Telephone transfer from Yanti Ardi to Laureen & Sandra Elnitiarta in the amount of \$300,000, Jan. 17, 1995. Ex. 49; Telephone transfer from Yanti Ardi to Laureen & Sandra Elnitiarta in the amount of \$690,000, Jan. 27, 1995. Ex. 50.

⁹³ Goldlion International USA, Inc. statement by domestic stock corporation, May 9, 1996-July 1, 1997. Ex. 51.

transfers from Goldlion in Hong Kong.⁹⁴ Jimmy Chi Mai Mao Tsang, a Hong Kong resident, was the corporate president.⁹⁵ Jimmy Tsang is the son of Dr. Tsang Hin Chi, a corporate director and Chairman of the Goldlion Group in Hong Kong.⁹⁶ Dr. Tsang has extensive connections in China and is a delegate of the National People's Congress.⁹⁷

Jimmy Tsang and his wife, Jean Lim Tsang, were guests of Sioeng at a Feb. 19, 1996 DNC fundraiser at the Hay-Adams Hotel in Washington, D.C., and had pictures taken with President Clinton.⁹⁸ The Tsangs are believed to be in Hong Kong and have refused to be interviewed. Other corporate officers and directors of Goldlion included Ted Sioeng; Jessica, Yopie, and Yaohan Elnitiarta; and two relatives of Jimmy Tsang.⁹⁹

- **Seagull International, Inc.** was incorporated in January 1997 as an international trading company.¹⁰⁰ Sioeng's served as the company's president and a director.¹⁰¹ The only other officer and director was Shipping Xu, a Chinese national.¹⁰² The assistant manager where the company used an apartment as commercial office space told Committee investigators that the company prematurely vacated the premises in March 1997, thus forfeiting their

⁹⁴ Bank statements of Goldlion International USA, Nov. 27, 1995 through Feb. 21, 1997. Ex. 52.

⁹⁵ See Ex. 51.

⁹⁶ Id. Undated letter from Tsang Hin Chi, Chairman, Goldlion Group, to Hong Tan Shan Cup Organizing Committee. Ex. 53.

⁹⁷ Adela Ma, Goldlion Snares Final China Tobacco Deal Before Temporary Ban, S. China Morn. Post, Aug. 16, 1995.

⁹⁸ Photographs of Ted Sioeng and guests with President Clinton, Feb. 19, 1996. Ex. 54.

⁹⁹ See Ex. 51.

¹⁰⁰ Seagull International Inc. statement by domestic stock corporation, Mar. 3, 1997. Ex. 55.

¹⁰¹ Id.

¹⁰² Id.

security deposit, and the officers went back to China.¹⁰³

Committee investigators suspect that Seagull International may be a shell corporation, as there is little evidence of company business or financial activity.

- **CCAID (California Chinese-American Investment Development) Group** trades in health food, shrimp and crab food, and, at one time, medical equipment.¹⁰⁴ The group also included the CCAID Executive Program, Inc. which was incorporated in October 1992 as a trading company and discontinued operations in 1996.¹⁰⁵ Sioeng served as the Executive Program's president and a director.¹⁰⁶ Sioeng associate Johnny Ma was the only other officer and director.¹⁰⁷

The Executive Program arranged U.S. tours for delegations of Chinese government officials, primary from Yunnan Province.¹⁰⁸ Simon Chen, the former owner of the International Daily News, told Committee investigators that these groups included Chinese businessmen, Communist Party officials, and provincial governors.¹⁰⁹ Johnny Ma testified in similar terms.¹¹⁰

Assisting in the tour efforts was Sioeng associate Bun Tsun Lai, a young British (overseas) national who listed his occupation as a student.¹¹¹ Lai is the son of Lay Kweek Wie, a close friend of Ted Sioeng¹¹² and a former officer and director of the International Daily News.¹¹³

¹⁰³ Interview with Karen Elia, Dec. 9, 1997.

¹⁰⁴ Ma Depo. at 14.

¹⁰⁵ CCAID Executive Program, Inc. article of incorporation, Oct. 29, 1992 and statement of domestic stock corporation, Nov. 12, 1992. Ex. 56.

¹⁰⁶ Id.

¹⁰⁷ Id.

¹⁰⁸ Ma Depo. at 40-41.

¹⁰⁹ Interview with Simon Chen, Jan. 14, 1998. [hereinafter Chen Interview]

¹¹⁰ Ma Depo. at 40-41.

¹¹¹ Grand National Bank signature card, Bun Tsun Lai, July 17, 1995. Ex. 57.

¹¹² Deposition of Dr. Daniel K. Wong, March 12, 1998, at 185. [hereinafter Wong Depo.]

¹¹³ Chen International Publications (U.S.A.), Inc. statement by domestic stock corporation, Feb. 12, 1996. Ex. 58.

Committee investigators found that, from April 1995 through January 1997, Lai received over \$300,000 from Sioeng family members and their foreign and U.S. businesses. Some of these funds were conduit payments whereby Lai received money and quickly disbursed the same amount to various parties as follows: \$10,000 from Glenville Stuart¹¹⁴, which Lai paid to Alfred Wu;¹¹⁵ \$100,000 from Pristine Investments in Hong Kong¹¹⁶ which Lai spent \$11,030 on travel expenses;¹¹⁷ \$20,000 to Glenville Stuart for business expenses;¹¹⁸ and \$24,800 to purchase degrees from American M&N University;¹¹⁹ \$10,000 from Panda Industries¹²⁰ which Lai paid to the Central Los Angeles Chapter of the United Nations Association;¹²¹ \$50,000 from Glenville Stuart¹²² which Lai paid to Sundari, Sandra, and Laureen Elnitiarta;¹²³ and \$97,911 from Panda Industries which Lai spent on travel expenses.¹²⁴ About \$24,000 in cash transactions were also

¹¹⁴ Check #240 from Glenville A. Stuart to Bun Tsun Lai in the amount of \$10,000 with deposit slip, May 30, 1995. Ex. 59.

¹¹⁵ Check #5045 from Bun Tsun Lai to Alfred Wu in the amount of \$10,000, May 29, 1995, Ex. 60.

¹¹⁶ Wire transfer from Pristine Investment to Bun Tsun Lai in the amount of \$100,000, July 28, 1995. Ex. 61.

¹¹⁷ Check #302 from Bun Tsun Lai to Supertrip Travel in the amount of \$11,030, July 28, 1995, Ex. 62.

¹¹⁸ Check #303 from Bun Tsun Lai to G.A. Stuart in the amount of \$20,000, July 28, 1995. Ex. 63.

¹¹⁹ Starter checks from Bun Tsun Lai in the amounts \$9,500, \$9,300, and \$6,000 with the memo "M&N", July 28, 1995. Ex. 64.

¹²⁰ Check #1119 from Panda Industries Inc. to Bun Tsun Lai in the amount of \$10,000 with deposit slip, Oct. 10, 1995. Ex. 65.

¹²¹ Check #352 from Bun Tsun Lai to Central Los Angeles Chapter, United Nations Association, in the amount of \$10,000, Oct. 6, 1995, Ex. 66.

¹²² Check #304 from Glenville Stuart to Bun Tsun Lai in the amount of \$50,000, Dec. 5, 1995. Ex. 67.

¹²³ Telephone transfer from Bun Tsun Lai to Sundari, Sandra & Laureen Elnitiarta in the amount of \$50,000, Dec. 15, 1996. Ex. 68.

¹²⁴ Check #1535 from Panda Industries to Bun Tsun Lai in the amount of \$97,911.20, Feb. 1, 1996; Check #326 from Bun Tsun Lai to Horizon Travel in the amount of \$67,911.20, Jan. 5, 1996 and Check #327 from Bun Tsun Lai to Horizon Travel in the amount of \$30,000, Jan. 12, 1996, Ex. 69.

noted which were funded primarily funded by Pristine Investments and Victory Trading.¹²⁵

- **Ginza Strasse** consisted of two businesses, located in the shopping plaza of the family's Hollywood Metropolitan Hotel, that ceased operations in December 1996.¹²⁶ Ginza Strasse, Inc. was incorporated in December 1994 with Laureen Elnitiarta as the sole officer and director. The firm operated a retail clothing store until it was dissolved. Ginza Strasse International, Inc., incorporated in February 1995, was operated by Laureen Elnitiarta as Bali Hollywood, an Indonesian restaurant.

Tobacco

Committee investigators identified the following two Sioeng family tobacco companies that complemented Ted Sioeng's overseas tobacco businesses:

- **Panda Industries, Inc.**, the oldest of the Sioeng family's U.S. businesses, was incorporated in May 1988 for the import and export of cigarette machinery.¹²⁷ Sioeng is a corporate director and president. Jessica Elnitiarta serves as the only other corporate director and officer.¹²⁸

Committee investigators found that from 1994 through 1996, the company purchased just under \$1 million worth of used tobacco machinery from Hadco General Trading Co. in Virginia.¹²⁹ Hadco is solely owned by Haddi Kurniawan, who is the father of Didi Kurniawan who is married to Sioeng's daughter, Sandra Elnitiarta.¹³⁰ The purchased machinery was then shipped to China for reconditioning by Sioeng's Hangao Tobacco Rebuilt Machinery Factory¹³¹.

On April 18, 1995, the company made \$145,000 in payments to Kent La for an unknown

¹²⁵ Wire transfer from Victory Trading to Bun Tsun Lai in the amount of \$9,985, June 5, 1995, Ex. 70; *See also* Ex. 61.

¹²⁶ Ginza Strasse, Inc. articles of incorporation, Dec. 9, 1994; Ginza Strasse, International, Inc. articles of incorporation, Jan. 19, 1995. Ex. 71.

¹²⁷ Panda Industries, Inc. articles of incorporation, May 25, 1988. Ex. 72.

¹²⁸ Id.

¹²⁹ Deposition of Haddi Kurniawan, April 14, 1998, at 26.

¹³⁰ Id. at 27.

¹³¹ Id.

purpose.¹³² On July 18, 1995 Panda Industries contributed \$50,000 to the National Policy Forum (See “Republican Contributions,” and “Democratic Contributions.”).

- **China American Tobacco Industries, Inc.** was incorporated in March 1994 and dissolved four years later.¹³³ Ted Sioeng served as the sole director, and Jessica Elnitiarta served as the only other corporate officer.¹³⁴ According to its incorporation papers, the company was established for import/export trading,¹³⁵ perhaps in connection with Sioeng’s Chinese cigarette operations. Committee investigators concluded that the company was either inactive or a shell corporation, as there is no evidence of company business or financial activity.

Hotels

Committee investigators identified two hotels run by the Sioeng family. These businesses likely were used as an investment for Ted Sioeng’s foreign money; a source of domestic funding from room, store, and office rentals; and an opportunity to entertain and influence Chinese government officials:

- **Panda Hotel Investment, Inc.** was incorporated in February 1993 and owns and operates the 90-room Hollywood Metropolitan Hotel and adjacent 30 stores and offices of the Metropolitan Shopping Plaza in Hollywood, California.¹³⁶ Jessica Elnitiarta is the corporate president and a director and Sandra and Laureen Elnitiarta are the other corporate officers and directors.¹³⁷ Jessica Elnitarta, her mother, and four siblings own all of the hotel’s outstanding stock.¹³⁸ The hotel was used to house and host receptions for

¹³² Check #1032 from Panda Industries to Kent La in the amount of \$85,000, April 18, 1995; Check #1033 from Panda Industries to Kent La in the amount of \$60,000, April 18, 1995. Ex. 73.

¹³³ China American Tobacco Industries, Inc. articles of incorporation, Mar. 21, 1994; and certificate of dissolution, Mar. 4, 1998 and statement by domestic stock corporation, Oct. 30, 1995. Ex. 74.

¹³⁴ Id.

¹³⁵ Id.

¹³⁶ Hollywood Metropolitan Investment, Inc. articles of incorporation, Feb. 8, 1993; and statement by domestic stock corporation, Feb. 16, 1993. Ex. 75.

¹³⁷ Id.

¹³⁸ Panda Hotel Investment, Inc. stock transfer ledger and stock certificates, Mar. 8, 1993. Ex. 76.

Chinese government officials, including those on U.S. tours set up by CCAID Group.¹³⁹

- **Pacific Hotel Investment, Inc.** was incorporated in March 1994 and owns and operates the 44 rooms and five retail stores of the Pacific Inn Hotel in Los Angeles.¹⁴⁰ Jianghui He, a Chinese national, is the corporate president, a director, and a one third owner.¹⁴¹ The remaining corporate officers, directors, and owners are Mr. Sioeng and his wife, Sundari Elnitiarta.¹⁴²

Newspaper

Committee investigators identified a newspaper business that provided the Sioeng family with a media for advertising their political connections, exerting influence in the local Chinese community, and promoting the Beijing government:

- **Chen International Publications (USA), Inc.** was incorporated in April 1981 and owns and operates the International Daily News, a Chinese language newspaper published in Los Angeles, California.¹⁴³ The stock of the corporation was sold in October 1995 and now is held by the Sioeng Group, Inc.¹⁴⁴ Jessica Elnitiarta is currently the sole corporate director, officer,¹⁴⁵ and owner of the largest share of Sioeng Group stock, and the Group's remaining stock is owned by Jessica's mother and her four siblings.¹⁴⁶

Ted Sioeng served as Chen's chairman of the board of directors and president until April 1997.¹⁴⁷ At that time, the paper's editor, Sioeng Fei-Man Hung, became president until he was replaced by

¹³⁹ Ma Depo. at 38.

¹⁴⁰ Pacific Hotel Investment, Inc. articles of incorporation, Mar. 16, 1994. Ex. 77.

¹⁴¹ Pacific Hotel Investment, Inc. statement by domestic stock corporation, Aug. 26, 1994. Ex. 78.

¹⁴² Id.

¹⁴³ Chen International Publications (U.S.A.), Inc. articles of incorporation, April 9, 1981. Ex. 79.

¹⁴⁴ See Ex. 38.

¹⁴⁵ Chen International Publications statements by domestic stock corporation, Feb. 12, 1996; April 25, 1997; and Jan. 12, 1998. Ex. 80. See also Chen Interview.

¹⁴⁶ See Ex. 38.

¹⁴⁷ See Ex. 80.

Jessica Elnitiarta in January 1998.¹⁴⁸ Kweek Wie Lay, and former owner Simon Chen, also served as corporate officers and directors until they were replaced by Jessica Elnitiarta in April 1997.¹⁴⁹

Jessica Elnitiarta stated that it was her father's idea to buy the paper with her to run it because it would enhance the family's standing in the local community, there were tax advantages in acquiring the paper's debt, and it was cheap. She further stated that the family contracted to buy the paper in October 1995 for approximately \$3 million, paying that in a series of installments through July 1996. She further said that since the purchase, the paper has consistently lost money, causing her father to subsidize it with money from overseas.¹⁵⁰

Committee investigators identified \$2.88 million in payments to the International Daily News from the personal bank account of Yanti Ardi between October 1995 through March 1997.¹⁵¹ These payments, made by Jessica Elnitiarta using a power of attorney over Yanti Ardi's account, were funded by wire transfers from Sioeng companies in Hong Kong and China.¹⁵² Another \$1.35 million was wired directly into the paper's bank account from Hong Kong, consisting of \$200,000 from Victory Trading, \$830,000 from R.T. Enterprises, \$100,000 from Yopie Elnitiarta, and \$220,000 from Ted Sioeng.¹⁵³ When Simon Chen expressed concern about the source of funds used to purchase the paper, Jessica Elnitiarta told him that the money was "clean."¹⁵⁴

Several articles and sources have stated Sioeng's acquisition of the paper helps the Chinese government because the paper has changed from a pro-Taiwan view to a pro-Beijing

¹⁴⁸ Id.

¹⁴⁹ Id.

¹⁵⁰ Elnitiarta interview.

¹⁵¹ Various telephone transfers from Yanti Ardi to the Chen International Publications totaling \$2,880,000, Oct. 27, 1995 through Mar. 5, 1997. Ex. 81.

¹⁵² Ex. 107-111.

¹⁵³ Wire transfer from Victory Trading Company to Chen International Publications, Inc. in the amount of \$199,985, Nov. 17, 1995; wire transfers from R.T. Enterprises to Chen International Publications in the amount of \$199,977 on May 14, 1996, \$197,586 on Aug. 30, 1996, \$200,000 on Jan. 2, 1997, and \$230,000 on Mar. 25, 1997; wire transfer from Yopie Elnitiarta for \$99,984, Feb. 3, 1997; and wire transfer from Ted Sioeng for \$219,979, July 3, 1997. Ex. 82..

¹⁵⁴ Interview of Simon Chen, Jan. 14, 1998. [hereinafter Chen Interview]

view.¹⁵⁵ Former owner Simon Chen stated that he believes Sioeng bought the paper to “impress Beijing” and that he “couldn’t accept” the new editorial focus.¹⁵⁶

On June 20, 1996, President Clinton sent the International Daily News a congratulatory letter on the newspaper’s 15th anniversary.¹⁵⁷ Jessica Elnitiarta stated that she had requested the letter from John Huang, as she had seen such congratulatory letters sent by politicians to other Chinese language papers on their anniversaries.¹⁵⁸

Munitions

Committee investigators identified a Sioeng family-owned business with a federal firearms license to sell firearms and ammunition as follows:

- **Code 3 USA, L.L.C.** was incorporated in May 1996 as a limited liability corporation and is owned by Jessica Elnitiarta and her husband, Ridwan Dinata.¹⁵⁹ Using a power of attorney, Jessica Elnitiarta financed the business with \$230,000 of foreign funds through Yanti Ardi’s personal bank account.¹⁶⁰ The business operates as a retail store and Dinata indicated that the company will export firearms and ammunition to Asian countries.¹⁶¹ He further stated that Code 3 had received an order for one million rounds of .38 caliber bullets from the Hong Kong government.¹⁶²

¹⁵⁵ Bruce Gilley, A Democratic Donor’s Cambodian Connection, Wall St. J., Jan. 13, 1998.

¹⁵⁶ Chen Interview.

¹⁵⁷ Letter from President Clinton to Ted Sioeng, Chairman, International Daily News, June 20, 1996. Ex. 83.

¹⁵⁸ Elnitiarta Interview.

¹⁵⁹ Code 3 USA, L.L.C. limited liability company articles of incorporation, May 17, 1996; Grand National Bank commercial credit commitment report, July 29, 1997. Ex. 84.

¹⁶⁰ Check #2302 from Yanti Ardi to Code 3 USA in the amount of \$30,000, May 31, 1996; check #2317 from Yanti Ardi to Code 3 USA in the amount of \$200,000, Dec. 5, 1996. Ex. 85.

¹⁶¹ Grand National Bank credit commitment report on Ridwan Dinata, June 22, 1992. Ex. 86.

¹⁶² Id.

Committee's investigators found that on August 6, 1996, Code 3 advanced \$10,000¹⁶³ to partially cover a July 29, 1996 contribution of \$50,000 to the DNC from Panda Estates Investment, Inc.¹⁶⁴ The advance was repaid by Jessica Elnitiarta on September 10, 1996.¹⁶⁵

Banking

Committee investigators identified partial ownership of a commercial bank by the Sioeng family. The bank provided checking and savings accounts, certificates of deposit, and loans for most of the Sioeng family members and businesses.

- **Grand National Bank** was incorporated in February 1983.¹⁶⁶ In July 1990, Cary Ching led a group of 13 investors, including the Sioeng family, to buy the bank and install new management with Ching as President.¹⁶⁷ Committee investigators obtained a deposition from Ching.¹⁶⁸ Jessica Elnitiarta and her two sisters own a total of 18% of the bank's stock.¹⁶⁹ Ted Sioeng and Jessica Elnitiarta serve as honorary directors of the bank.¹⁷⁰

Committee investigators note that the Sioeng family's ownership and directorships were always mentioned in loan officer assessments of the family's applications for loans from the bank. Committee investigators also note that the bank normally did not charge family members overdraft fees when negative balances frequently occurred.

IV. SIOENG'S FOREIGN BUSINESS INTERESTS

A. Summary

The Committee determined that Sioeng is the driving force behind his family's business empire.

¹⁶³ Telephone transfer from Code 3 to Panda Estates Investment in the amount of \$10,000, Aug. 6, 1996. Ex.87.

¹⁶⁴ See Ex. 35.

¹⁶⁵ Check #255 from Jessica Elnitiarta to Code 3 USA in the amount of \$10,000, Sept. 10, 1996. Ex. 88.

¹⁶⁶ Grand National Bank Web site <<http://www.c-me.com/gnb/brd.html>>. Ex. 89.

¹⁶⁷ Id.

¹⁶⁸ Deposition of Cary Ching, Feb. 11, 1998.

¹⁶⁹ See Ex. 31.

¹⁷⁰ See Ex. 89.

Committee investigators have identified 16 foreign businesses either owned or controlled in whole or in part by the Sioeng family. Sioeng's foreign businesses, operating in seven countries, transferred millions of dollars from foreign accounts in Hong Kong and the PRC to subsidize Sioeng family members and businesses in the United States. These foreign funds, in turn, have been used to fund over \$400,000 in political contributions to both Republican and Democratic organizations and candidates.

The PRC has provided significant business opportunities for Sioeng and he is in partnership with its Communist government through a number of joint venture agreements, particularly with state-owned tobacco companies.¹⁷¹ Sioeng also claims to be an economic advisor to six Chinese provinces or regions.¹⁷²

Hong Kong, which reverted to the PRC in July 1997, serves as the base for Mr. Sioeng's business operations. He maintains a residence in Hong Kong and he and several family members located there soon after the campaign contributions story broke in the press. The location also provides easy access to Mr. Sioeng's business ventures in China and Southeast Asia.

Ted Sioeng also operates out of Singapore where he distributes, and more recently, manufactures, Chinese brand cigarettes to Southeast Asia and the United States. According to news reports, many cigarettes intended only for export are smuggled through Singapore back into China, to avoid a large Chinese national consumption tax levied on domestic cigarette sales.¹⁷³ Sioeng also has tobacco related business interests in Belize, Indonesia, Cambodia, and Canada.

B. Ted Sioeng's Tobacco Empire

Sioeng's main business is the manufacture and distribution of Hongtashan (Red Pagoda Mountain) cigarettes.¹⁷⁴ Hongtashan is the most popular brand of cigarettes in the PRC, and the third largest-selling brand in the world.¹⁷⁵ The China National Tobacco Corporation is a state monopoly that manages the tobacco industry and oversees the business operations and factories within the tobacco rich provinces of Yunnan, Guizhou, and Guengxi.¹⁷⁶

¹⁷¹ Millennium Group Limited, discloseable transactions, May 5, 1997. Ex. 90.

¹⁷² Bruce Gilley, A Democratic Donor's Cambodian Connections, Wall St. J., Jan. 13, 1998.

¹⁷³ Craig Smith, China Moves to Sanction Executive, Wall St. J., Jan. 27, 1998.

¹⁷⁴ Chart, The Chinese Tobacco Connection. Ex. 91.

¹⁷⁵ Lana Wong, Brand Names Struggle to Make an Impression, S. China Morn. Post, Oct. 10, 1996.

¹⁷⁶ James Harding, China's Cigarette Makers Fear Competition, Fin. Post, July 4, 1997.

In the 1980s, through his contacts with Chu Shijian, then manager of the state owned Yuxi Cigarette Factory in Yunnan Province, Ted Sioeng was awarded lucrative distribution rights for exporting Hongtashan cigarettes.¹⁷⁷ By 1995, Chu had become Chairman of the state-owned Yuxi Hongta Tobacco Group which had expanded its tobacco business to include ventures in chemicals and property development.¹⁷⁸ In January 1998, the Communist Party of China expelled Chu for public corruption and charged him and several family members with accepting bribes and embezzling about \$10 million.¹⁷⁹

Sioeng established operations in Singapore for the distribution of Hongtashan cigarettes, and in April 1997, for their manufacture outside of China.¹⁸⁰ Sioeng associate and DNC contributor, Kent La, President of Loh Sun International, is the U.S. distributor of Hongtashan cigarettes.¹⁸¹

Committee investigators identified the following cigarette and tobacco-related businesses which are owned or controlled by Sioeng, his family members, and business associates:

- **Chinois Tobacco International Co., Pte., Ltd.** is listed in the Singapore Companies Registry and appears on Sioeng's business card as part of his S.S. Group. Sioeng serves as the company's chairman and his associate, Bruce Cheung, is president, a director, and a 50% owner.¹⁸² Cheung, a Singapore permanent resident,¹⁸³ was Sioeng's guest at the February 19, 1996, DNC fundraiser at the Hay-Adams Hotel, and had his picture taken with President Clinton.¹⁸⁴ Through 1997, Chinois exported Chinese-made Hongtashan cigarettes through a joint venture with the Chinese state-owned Yuxi Hongta Tobacco

¹⁷⁷ Craig Smith, China Moves to Sanction Executive, Wall St. J., Jan. 27, 1998.

¹⁷⁸ Kari Huus, Hazardous to Health, Far Eastern Economic Review, July 25, 1996.

¹⁷⁹ Former Chairman of Cigarette Company Expelled from Party, Xinhua News Agency, January 25, 1998.

¹⁸⁰ See Ex. 90.

¹⁸¹ Elinitarta Interview.

¹⁸² Registry of Companies and Business (Singapore). Ex. 92.

¹⁸³ Id.

¹⁸⁴ Picture of President Clinton with Bruce Cheung, Feb. 19, 1996. Ex. 93.

Group.¹⁸⁵ This included shipments to Loh Sun International in the United States,¹⁸⁶ and sponsorship of the Hongtashan Cup International Badminton Championships.¹⁸⁷

- **Worldwide Golden Leaf, Ltd.** was incorporated in the British Virgin Islands in July 1993. Ted Sioeng and associate Bruce Cheung serve as two of the company's three directors. The company lay dormant until April 1997, when it entered into a joint venture agreement with the Yuxi Hongta Tobacco Group to manufacture Hongtashan cigarettes in Singapore and export them to Southeast Asia and the United States. In addition, two Chinese state owned tobacco companies agreed to supply Worldwide Golden Leaf with tobacco leaves for sale in North America and Europe.¹⁸⁸ In May 1997, the Millennium Group, a Hong Kong company controlled by Sioeng's in-laws, the Tanuwidjaja family, purchased 25% of Worldwide Golden Leaf for \$34 million, and in April 1998, the remaining 75% for \$87 million.¹⁸⁹
- **Hangao Tobacco Machinery Industry, Ltd.** (Hangao Machinery) appears on Sioeng's business card as part of his S.S. Group.¹⁹⁰ The company is a joint venture with the Chinese state-owned Hangao Tobacco Rebuilt Machinery Factory in Guizhou Province. Hangao Tobacco Machinery is 70% owned by Mr. Sioeng, who claims a capital investment of \$5 million. The remaining 30% is owned by the state-owned Guizhou Tobacco Company.¹⁹¹

Using funds from Hong Kong and China, Mr. Sioeng purchased nearly \$1 million of used tobacco machinery from Hadco General Trading of Virginia and shipped it to the Chinese factory for rebuilding and sale. Hadco is owned and operated by Haddi Kurniawan, the father of Sioeng's

¹⁸⁵ Connie Kang and David Rosenzweig, Entrepreneur Formed Ties to China, L.A. Times, May 18, 1997.

¹⁸⁶ Invoice from Loh Sun international to Goldlion Tobacco International Ltd. In the amount of \$10,000, Jan. 23, 1997. Ex. 94.

¹⁸⁷ Letter from Ted Sioeng, Chairman, and Bruce Cheung, President, Chinois Tobacco International. Ex. 95.

¹⁸⁸ See Ex. 90.

¹⁸⁹ Bruce Gilley, Hong Kong: Nicotine Fix, Far East. Econ. Rev., April 2, 1998.

¹⁹⁰ See Ex. 14.

¹⁹¹ See Ex. 90.

son-in-law, Didi Kurniawan.¹⁹²

- **Goldlion Tobacco International, Ltd.** is another company listed on Sioeng's business card as part of his S.S. Group. It is a joint venture with the Chinese state-owned cigarette factory in Hainan Province to manufacture and distribute Goldlion brand cigarettes.¹⁹³ The China National Tobacco Corporation owns 25% of the venture. S.S. Group owns 24% of the venture and, according to a brochure prepared by the company, is to distribute Goldlion cigarettes in Southeast Asia. The 51% controlling interest in the venture is owned by Goldlion Holdings Group, headed by Dr. Tsang Hin Chi, a staunch supporter of the Chinese government who serves as the only Hong Kong Deputy on the Standing Committee of the National People's Congress.¹⁹⁴ Tsang also has been twice convicted of mislabeling goods.¹⁹⁵
- **Panda Belize Tobacco, Inc.** appears on Sioeng's business card as part of his S.S. Group. However, Belize Panda Industry, Ltd. is listed by the Belize General Company Registry as a separate entity. This listing also shows Sioeng as an officer, director, and 50% owner. Sioeng's U.S. business partner, Glenville Stuart, is the only other officer, director, and is a 50% owner of the company.¹⁹⁶

In 1994, Sioeng and Stuart were building a factory in Belize to manufacture and distribute Hongtashan cigarettes in the Caribbean and Central America.¹⁹⁷ Stuart purchased a factory site from the Government of Belize¹⁹⁸ with \$100,000 transferred to his personal bank account from Sioeng's Pacific Hotel Investment.¹⁹⁹ According to Stuart, the business had not started

¹⁹² Deposition of Haddi Kurniawan, April 14, 1998, at 26.

¹⁹³ Adela Ma, Goldlion Snares Final China Tobacco Deal before Temporary Ban, S. China Morn. Post, Aug. 16, 1995.

¹⁹⁴ See Chart on Tsang Hin Chi. Ex. 96.

¹⁹⁵ Firm Backs Chairman, S. China Morn. Post, July 11, 1995.

¹⁹⁶ Phone conversation with Belize General Company Registry, May 20, 1998.

¹⁹⁷ Stuart Depo. at 8-13.

¹⁹⁸ Stuart Depo. at 84.

¹⁹⁹ Telephone transfer from Pacific Hotel Investment, Inc. to Glenville Stuart in the amount of \$100,000, July 20, 1994. Ex. 97.

production due to an industrial accident.²⁰⁰

- **Asia Indonesia Tobacco Utama, Inc.**, appears on Sioeng's business card as part of the S.S. Group. In October 1995, under the name of Asia Tobacco International Indonesia, PT., Sioeng received Indonesian government approval to build a cigarette factory on Batam Island, Riau.²⁰¹ The project was to be managed by Sioeng's son, Yopie Elnitiarta, and funded by a capital investment of \$2.8 million, including participation by World Seal, Ltd., a Sioeng company in Hong Kong. The plant was to employ 70 people and was scheduled to begin operations in October 1998. The Committee has seen no evidence that this plant was ever built or where its funding, if any, originated.
- **The Cambodia Cigarette Factory** venture began in 1995 as Evans International Tobacco,²⁰² a partnership with Ted Sioeng and Hoa Bang Huynh.²⁰³ A year later, cigarette machinery for the factory was supplied from Sioeng's rebuilt tobacco machinery factory in China. Huynh paid \$250,000 to Panda Industries,²⁰⁴ with an additional \$450,000 being deposited into Jessica Elnitiarta's personal bank account.²⁰⁵ Huynh testified that the machinery delivered was defective, and later withdrew from the partnership after receiving a refund of his \$700,000 from Cambodian casino operator Tony Tandijono.²⁰⁶ Sioeng has reportedly continued building the cigarette factory in Cambodia with Tandijono and Theng Bunma, a Cambodian tycoon and suspected drug trafficker with close ties to the Cambodian government.²⁰⁷

C. Other Sioeng Businesses in Hong Kong

Committee investigators found that Sioeng owns or controls the following companies in Hong

²⁰⁰ Stuart Depo. at 9.

²⁰¹ Indonesian Investment Highlights, P.T. Data Consult Inc., Nov. 1, 1995. Ex. 98.

²⁰² Letter from Fred Wong, May 15, 1998. Ex. 99.

²⁰³ Interview of Hoa Bang Huynh, March 12, 1998. [hereinafter Huynh Interview] The Committee notes that Huynh did not testify to this during his April 15, 1998 deposition.

²⁰⁴ Check #103 from Hoa Bang Huynh to Panda Industries in the amount of \$250,000, Jan. 8, 1996. Ex. 100.

²⁰⁵ Telephone transfer from Hao Bang Huynh to Jessica Elnitiarta in the amount of \$450,000, May 23, 1996. Ex. 101.

²⁰⁶ Deposition of Hoa Bang Huynh at 13-14, April 15, 1998. [hereinafter Huynh Depo.]

²⁰⁷ Huynh Interview.

Kong:

- **S.S. Group** appears to be the entity that serves as an umbrella over his businesses worldwide. It is listed as such on Sioeng's business card. However, this entity does not appear in the Hong Kong Companies Registry and may be a holding company or a shell entity. Correspondence reviewed by Committee investigators indicated that Jessica and Yopie Elnitiarta are affiliated with S.S. Group. The Group is also reported to own 24% of a joint venture between Goldlion Tobacco International, Ltd. and Chinese state-owned cigarette factory in Hainan Province.²⁰⁸
- **World Seal, Ltd.** is a registered private company in Hong Kong. Yopie and Sandra Elnitiarta served as corporate directors of World Seal and each own 15% of the company's stock.²⁰⁹ Since December 1997, Didi Kurniawan reportedly has served as the company managing director.²¹⁰

Committee investigators found that World Seal ordered over \$20 million worth of health food products from Sunrider International Corporation for distribution in China.²¹¹ Most of the invoices for these products were paid by the Tanuwidjaja family of Indonesia,²¹² who are in-laws of Sioeng.

- **Victory Trading Company** is not listed on Sioeng's business card, however, its phone number is listed. While Victory Trading is registered as a private company in Hong Kong, company representatives told Committee investigators that Yopie and Sandra Elnitiarta were no longer associated with the firm.²¹³ Committee investigators were also told by Gary Koerner of Sunrider International Corporation that Victory Trading became World Seal.²¹⁴

²⁰⁸ Adela Ma, Goldlion Snares Final China Tobacco Deal Before Temporary Ban, S. China Morn. Post, Aug. 16, 1995.

²⁰⁹ World Seal Limited certificate of incorporation, Jan. 17, 1997. Ex. 102.

²¹⁰ Bruce Gilley, A Democratic Donor's Cambodian Connection, Wall St. J., Jan. 13, 1998.

²¹¹ See Ex. 24.

²¹² Wire transfers from World Seal to Sunrider Manufacturing, July 11, 1996-Jan. 24, 1997. Ex. 103.

²¹³ Telephone interview with company officials, June 25, 1998.

²¹⁴ Interview of Gary Koerner, May 20, 1998.

During 1994, Committee investigators identified \$50,000 in wire transfers from Panda Industries,²¹⁵ a company controlled by Sioeng, and \$250,000 in wire transfers from Sioeng's personal bank account,²¹⁶ into a Bank of China account held by Victory Trading. The transfer from Mr. Sioeng was funded by bank loans made in the U.S. to the Sioeng family.²¹⁷

During 1995, Victory Trading wired about \$2.5 million from a Bank of China account into the personal U.S. bank account of Sioeng's sister, Yanti Ardi. Jessica Elnitiarta then used her power of attorney over this account to transfer this foreign money into family business and personal accounts and to repay Sioeng family bank loans.²¹⁸

On November 17, 1995, Victory Trading wired nearly \$200,000 to Chen International Publications,²¹⁹ which may be part of Sioeng's subsidization of the International Daily News with overseas money.²²⁰

- **R.T. Enterprises** is not listed in the Hong Kong Companies Registry. Committee investigators could find no address or phone numbers associated with the firm.

During 1996, R.T. Enterprises wired \$2.7 million from ING Bank in Hong Kong into the personal U.S. bank account of Yanti Ardi.²²¹ Jessica Elnitiarta subsequently transferred these foreign funds into Sioeng family businesses and personal accounts. Those transfers included: \$1,100,000 to buy and operate the International Daily News; \$60,000 to partially fund a \$100,000

²¹⁵ Wire transfer from Panda Industries to Victory Trading Company in the amount of \$50,000, Mar. 23, 1994. Ex. 104.

²¹⁶ Wire transfer from Ted Sioeng to Victory Trading Company in the amount of \$250,000, Sept. 21, 1994. Ex. 105.

²¹⁷ Telephone transfer from Laureen & Sandra Elnitiarta TCD Loan to Sioeng San Wong in the amount of \$250,000, Sept. 21, 1994. Ex. 106.

²¹⁸ Wire transfer from Victory Trading to Yanti Ardi in the amount of \$1,549,985, March 10, 1995, Ex. 107; Wire transfer from Victory Trading to Yanti Ardi in the amount of \$299,985, Aug. 7, 1995, Ex. 108; Wire transfer from Victory Trading to Yanti Ardi in the amount of \$599,985, Oct. 12, 1995. Ex. 109.

²¹⁹ See Ex. 82.

²²⁰ Elnitiarta interview.

²²¹ Wire transfer from Victory Trading to Yanti Ardi in the amount of \$1,652,479.98, June 28, 1996, Ex. 110; Wire transfer from R.T. Enterprises Limited to Yanti Ardi in the amount of \$1,000,000, Aug. 30, 1996. Ex. 111.

July 29, 1996 political contribution from Panda Estates Investments to the DNC; and \$1,100 to fund Sundari Elnitiarta's political contribution to Washington State Governor Gary Locke.

From May 14, 1996 through March 25, 1997, R.T. Enterprises wired \$830,000 to Chen International Publications,²²² which may be part of Sioeng's subsidization of the International Daily News with overseas money.²²³

On July 24, 1996, R.T. Enterprises wired \$97,555 into the U.S. bank account of Loh Sun International. The Committee believes it is likely that \$50,000 of this money was used to fund a political contribution to the DNC made by Sioeng associate Kent La on July 29, 1996.

On September 5, 1996, R.T. Enterprises wired \$20,000 into the U.S. bank account of Sioeng associate Glenville Stuart. The Committee believes it is likely that Stuart used \$1,100 of this money to reimburse his Sunset Market and Liquor business for a conduit political contribution by one of the market's employees to Gary Locke on July 29, 1996.²²⁴

- **Pristine Investments, Ltd.** is a private company registered in Hong Kong. Public filings reveal no affiliation between Ted Sioeng, his family members, or associates and the company. However, from January 1994 through May 1996, an ING Bank account in Hong Kong in the name of Pristine Investments wired \$9.9 million into the personal U.S. bank account of Yanti Ardi.²²⁵ Jessica Elnitiarta then transferred these foreign funds into Sioeng family U.S. businesses and personal accounts. That money, in turn, appears to have been used to fund political contributions of \$20,000 to Julia Wu in 1995; \$100,000 to Matt Fong in 1995; and \$100,000 to the DNC in 1996.

In April 1995, Pristine Investments also wired \$187,493 into the U.S. bank account of Panda Industries, Inc.,²²⁶ which subsequently paid \$145,000 to Sioeng associate Kent La.²²⁷ Sioeng's attorneys refused to answer questions about Pristine or other companies in Asia that

²²² See Ex. 82.

²²³ Elnitiarta interview.

²²⁴ See "The Sioeng Contributions to Gary Locke."

²²⁵ Wire transfers from Pristine Investments to Yanti Ardi, Jan. 11, 1994-May 24, 1996. Ex. 112.

²²⁶ Wire transfer from Pristine Investments, Ltd. to Panda Industries in the amount of \$38,286, April 10, 1995; Wire transfer from Pristine Investments to Panda Industries in the amount of \$85,155.95, April 12, 1995; Wire transfer from Pristine Investments to Panda Industries in the amount of \$64,051, April 18, 1995. Ex. 113.

²²⁷ See Ex. 73.

made large transfers to Sioeng-related accounts.²²⁸

D. Other Sioeng Businesses in China

Committee investigators also found that Sioeng owns or controls the following companies in China:

- **Billion Beer Industry, Ltd.** appears on Sioeng's business card as part of his S.S. Group.²²⁹ It is a joint venture with the state-owned Fu Haw Bigie Beer Brewery in Guizhou Province. Sioeng claimed 100% ownership of the venture, and that he made a capital investment in the company of \$3 million.²³⁰
- **Panda Industry Building, Ltd.** is also listed on Sioeng's business card as part of his S.S. Group.²³¹ This appears to involve a commercial building in Canton Province in which Sioeng claimed a \$3 million capital investment.²³²
- **Dragon Rainbow Medicine & Equipment Co, Ltd.** in Yunnan Province appears to have some affiliation with Sioeng. On January 17, 1995, the manager of Dragon Rainbow, Pu Xiang, wired almost \$1 million from ING Bank in Hong Kong into the personal U.S. bank account of Yanti Ardi.²³³ Jessica Elnitiarta used this money to pay off a \$1 million Grand National Bank credit line loan in the name of Sandra and Laureen Elnitiarta.²³⁴

E. Sioeng Business in Canada

Finally, Sioeng claims the following business venture in Canada:

- **Panda Industries, Inc.** appears on Sioeng's business card as part of his S.S. Group. Ambrose Hsiung, who resides in Vancouver, appears to be a company official and

²²⁸ Senate Campaign Finance Report at 5581.

²²⁹ See Ex. 14.

²³⁰ See Ex. 16.

²³¹ See Ex. 14.

²³² Id.

²³³ See Ex. 48.

²³⁴ See Exs. 49, 50.

Sioeng's Canadian representative.²³⁵ Hsiung has refused to be interviewed by Committee staff. The Committee could find no financial transactions between Sioeng family members and businesses in the United States with Panda Industries in Canada.

V. SIOENG CONNECTIONS TO FOREIGN GOVERNMENTS

A. Connections to China

1. Summary

The Committee's investigation found substantial evidence showing that Ted Sioeng has extensive ties with powerful political officials of the People's Republic of China, up to and possibly including Premier Jiang Zemin. Sioeng also has relationships with officials of both the PRC consulate in Los Angeles and the embassy in Washington, and made personal contributions to the consulate. In at least one instance, Sioeng funneled money from the PRC to an American political candidate. Finally, both Sioeng and business associates helped establish and fund pro-PRC propaganda groups in the Southern California area.

Through his businesses, Sioeng also has extensive financial ties with the PRC. Sioeng's major overseas venture, selling and exporting Hongtashan cigarettes, depends upon a partnership with the PRC government. One of Sioeng's U.S.-based companies, CCAID Executive Program, provides tours for visiting PRC officials. Sioeng used CCAID and another of his U.S. companies to provide employment for at least three PRC nationals. In addition, Sioeng changed the editorial position of the International Daily News from pro-Taiwan to pro-PRC after purchasing the newspaper from Simon Chen. He also hired journalists affiliated with PRC government agencies to write for the newspaper.

2. Findings

According to the United States Senate Committee on Governmental Affairs, Special Investigation, Ted Sioeng "... worked, and perhaps still works, on behalf of the Chinese government. Sioeng regularly communicated with PRC embassy and consular officials at various locations in the United States. Before the campaign finance scandal broke, Sioeng traveled to Beijing frequently where he reported to and was briefed by Chinese Communist Party officials."²³⁶

The Committee has been able to uncover facts that tend to support the Senate's conclusions and shed additional light on the activities of Sioeng and his connections to the People's Republic of China.

²³⁵ Business card of Ambrose Hsiung. Ex. 114.

²³⁶ S. Rep. No. 105-167, 105th Cong., 2nd Sess. at 2505-06.

Political Connections

Sioeng is closely associated with several officials of the PRC's consulate in Los Angeles and its embassy in Washington, D.C. Sioeng's highest-ranking diplomatic contact may be Zhou Weng Zhong, former Minister and Deputy Chief of Mission to the PRC embassy. Sioeng introduced Zhou to Robert Prins, President of Iowa Wesleyan College, during a function at the consulate.²³⁷ At that time, Zhou stated that he wanted his daughter to study in the United States.²³⁸ Prins stated that he would be happy to have her, and Sioeng offered to financially support her while she was a student.²³⁹ Prins did not believe that it was in Sioeng's best interest, or that of the college, to have Sioeng, as a trustee of the college, dictating who received scholarship money when the student was related that to a Chinese politician.²⁴⁰ Therefore, Zhou's daughter received scholarship money from a separate fund.²⁴¹

Committee investigators also believe that Sioeng is closely connected to former PRC Counsel General Feng Shu Sen. Feng was a high-ranking party official in Yunnan province before becoming the Counsel General in Los Angeles.²⁴² After Feng became Consul General, Sioeng became "more influential, almost like whatever he ask for, he will get the cooperation of"²⁴³ the consulate. Sioeng became so influential during pro-PRC activities that he spoke at many such events.²⁴⁴ He even became a sort-of celebrity or leader in the community;²⁴⁵ Sioeng was known as a the number one man or big brother of the community.²⁴⁶ Sioeng was given a place of honor, a seat in the front row, during a celebration for the Chinese New Year broadcast on state-owned Chinese cable television.²⁴⁷ This was at a time when at least one PRC businessman believed that

²³⁷ Prins Depo. at 75.

²³⁸ Id. at 76.

²³⁹ Id.

²⁴⁰ Id.

²⁴¹ Id.

²⁴² Wong Depo. at 57.

²⁴³ Id. at 58.

²⁴⁴ Id. at 54.

²⁴⁵ Id. at 32.

²⁴⁶ Id. at 56-57.

²⁴⁷ Interview of Jerry J. Sun, Mar. 19, 1998. [hereinafter Sun Interview]

Sioeng was just getting started in his business dealings with the PRC.²⁴⁸

Sioeng attended several receptions at the consulate itself, during the terms of several different Consul Generals.²⁴⁹ Counselor representatives also attended receptions held by Sioeng at his hotel.²⁵⁰ According to Dr. Wong, Sioeng apparently knew PRC personnel in other diplomatic posts in the United States.²⁵¹ Or, if he did not know them, they knew him.²⁵²

Sioeng was well-known to officials in Beijing, and the United States.²⁵³ According to Dr. Wong, “. . . even Jiang Zemin [knew him] before he came here [the United States].”²⁵⁴ Sioeng was even able to obtain a private meeting with the Premier during his visit to the United States in October 1995.²⁵⁵ The Committee notes that, while Premier Zemin has denied there was a Chinese plan to influence U.S. elections, it is at least curious that such a prominent source of apparently illegal DNC funds was able to obtain a private meeting with the head of the PRC.

Many of Sioeng’s activities within the United States helped in the formation and support of pro-PRC organizations and entities. Sioeng has given financial assistance to several pro-PRC organizations and entities, including the consulate itself. One such group, The Alliance of Chinese-American Groups of USA, was founded by Sioeng and his associate, Kent La as president.²⁵⁶ Witnesses have described this organization as a pro-PRC umbrella group.²⁵⁷ Sioeng funded this organization in 1996,²⁵⁸ and made financial contributions to other pro-PRC

²⁴⁸ Id.

²⁴⁹ Wong Depo. at 34, 56. *See also*, Ma Depo. at 59.

²⁵⁰ Ma Depo. at 90.

²⁵¹ Wong Interview.

²⁵² Wong Depo. at 113.

²⁵³ Id. at 120.

²⁵⁴ Id.

²⁵⁵ Id. *See also*, Chairman of the People’s Republic of China Jiang Zemin Meets with Ted Sioeng Separately and Independently, International Daily News, Oct. 24, 1995. Ex. 115.

²⁵⁶ *See* Ex. 27.

²⁵⁷ Interview of Norman Hsu, March 30, 1998. [hereinafter Hsu Interview]

²⁵⁸ Sioeng San Wong deposit of \$5,000 to open account for the Southern California United Chinese Association, July 25, 1996. Ex. 116; Check #662 from Sioeng San Wong to Sun Yat Sen Institute in the amount of \$10,000, Nov. 25, 1995, Ex. 117.

associations.²⁵⁹

Sioeng and his daughter, Jessica Elnitiarta, also made personal contributions to the PRC consulate totaling \$50,000.²⁶⁰ In 1994, Sioeng made a donation of \$10,000, and in 1996, Jessica Elnitiarta made out two \$20,000 checks to the Consulate General of the PRC for unknown purposes.²⁶¹ Kent La also made donations to various pro-PRC organizations.²⁶²

In 1996, Sundari Elnitiarta, Sioeng's wife, contributed \$5,000 to Daniel Wong, a Republican California Assembly candidate.²⁶³ The Senate Campaign Finance Report concluded that this contribution was funded by the PRC consulate.²⁶⁴ The Committee noted that Wong disagreed with that conclusion, however, Wong did believe that if he wanted to get "support" from the PRC government he could have and he knows of possibly others who have received such support.²⁶⁵

Wong believed that one could obtain such support from a PRC propaganda group which attempts to gain the support of overseas Chinese.²⁶⁶ The Committee believes that organization could have been the United Front Work Department (UFWD). Wong did not recognize the UFWD, but knew of the Tong Jin Bu, or Dui Wai Sun.²⁶⁷ However, he did not know if Sioeng worked with

²⁵⁹ Check #667 from Sioeng San Wong to O.C. China Friendship Association in the amount of \$10,000, April 15, 1995, Ex. 118.

²⁶⁰ Check #604 from Sioeng San Wong to Consulate General of PRC in the amount of \$10,000, July 26, 1994, Ex. 119.; Checks #442 and #443 from Jessica Elnitiarta to Consulate General PRC in the amounts of \$20,000 each, Nov. 15, 1996, Ex. 120.

²⁶¹ Id.

²⁶² Check #0099 from Kent La to Sun Yat Sen Chinese Institute in the amount of \$2,500, July 25, 1995, Ex. 121; Check #127 from Kent La to Consulate General of PRC in the amount of \$5,000, Feb. 14, 1996, Ex. 122; Check #142 from Kent La to League for Reunified China in the amount of \$2,000, July 26, 1996. Ex. 123.

²⁶³ See Ex. 243.

²⁶⁴ Senate Campaign Finance Report at 2506.

²⁶⁵ Wong Depo. at 107-110.

²⁶⁶ Wong Interview.

²⁶⁷ Wong Depo. at 80-81.

these organizations.²⁶⁸

Sioeng's connections to the PRC extend to the provincial level. According to Sioeng himself, he is an economic advisor to at least six different Chinese provinces or regions.²⁶⁹ Others have stated that Sioeng receives a motorcade escort when he arrives in some provinces, particularly Yunnan.²⁷⁰

Financial Connections

As noted elsewhere in this chapter, many of Sioeng's business activities rely on his strong connection to the Chinese government for success. One such business is Code 3 USA, the family's gun and ammunition store in Monterey Park, California, although it is owned by Sioeng's daughter and son-in-law.²⁷¹ Code 3 USA indicated in its financial disclosure forms that it plans on exporting guns and ammunition to Asian countries, and it had received an order from the Hong Kong government for one million rounds of .38 caliber bullets.²⁷²

Sioeng's main business is the selling and exportation of China's number one selling cigarette, Hongtashan (Red Pagoda Mountain).²⁷³ While discussing Sioeng's PRC businesses, Cary Ching, president of Grand National Bank, stated, "I haven't seen anyone as comfortable operating in the PRC [as Sioeng]."²⁷⁴ As discussed earlier in this chapter, Sioeng's tobacco venture is the result of direct partnership between his company and the government of the PRC.

Sioeng strengthened his ties with PRC government officials by awarding them honorary degrees from Iowa Wesleyan College where he serves as a trustee of the college.²⁷⁵ In September 1994,

²⁶⁸ Id. at 83.

²⁶⁹ Bruce Gilley, A Democratic Donor's Cambodian Connection, Wall St. J., Jan. 13, 1998 (stating that Mr. Sioeng's business card lists him as an economic advisor to Yunnan, Guizhou, Guangxi, Jilin, Heilongjiang, and Inner Mongolia).

²⁷⁰ Wong Depo at 37.

²⁷¹ *See* Ex. 84.

²⁷² Id.

²⁷³ *See* Ex. 91.

²⁷⁴ Interview of Cary Ching, Dec. 8, 1997.

²⁷⁵ Prins Depo. at 10.

the college awarded degrees to two senior officials of the state-owned China National Tobacco Corporation in Yunnan Province.²⁷⁶ In October 1995, the college awarded a degree to Deng Jiazhen, Director and President of China National Tobacco Corporation in Guangxi Province.²⁷⁷ Early in 1997, Sioeng's Millennium Group entered into lucrative agreements with these tobacco companies for cigarette manufacturing and the sale of tobacco leaves outside of the PRC.²⁷⁸

Questions remain concerning whether money from the Chinese tobacco industry, and the Chinese government, were used to make political contributions in the United States, including ones to the Democratic National Committee (DNC). One possible example of Chinese money coming into the accounts of the DNC is highlighted by transactions involving R.T. Enterprises. Committee investigators could not obtain records identifying the ownership interests, officers, directors, or even an address of R.T. Enterprises. However, R.T. Enterprises transferred millions of dollars into various accounts held by Sioeng, his daughter, and his business associate, Kent La.²⁷⁹ One such transaction suggests that R.T. Enterprises operates for the benefit of Hongtashan.

As discussed previously, on July 24, 1996, R.T. Enterprises wire transferred \$97,555 from Hong Kong into the U.S. bank account of Loh Sun International for Hongtashan advertising.²⁸⁰ The Committee believes that some of this money may have been used to make a \$50,000 contribution to the DNC.

Some people associated with Sioeng have suggested that he had some difficulties with his tobacco partnership with the PRC government, and Yunnan province in particular.²⁸¹ According to Jerry Sun, Vice President of Minmet K.N. (USA), Inc., Sioeng was upset with the Yunnan government over certain allegations it leveled against him.²⁸² Specifically, the government wanted to enforce an agreement with Sioeng that only allowed him to manufacture Hongtashan cigarettes in Singapore for export. Despite that agreement, the Yunnan government claimed that Sioeng was selling cigarettes in the PRC at greatly inflated prices. Sioeng reportedly said he could not control some of his sales people and that they were to blame for the smuggling. Sioeng told Sun that he wanted to leave Yunnan and open a cigarette factory in Sun's home province of Guengxi.

²⁷⁶ Honorary degrees and business cards of Yang Youzhu and Tie Zhengguo, Sept. 24, 1994. Ex. 124.

²⁷⁷ Honorary degree and business card of Deng Jiazhen, Oct. 26, 1995. Ex. 125.

²⁷⁸ See Ex. 90.

²⁷⁹ See "Sioeng's Foreign Business Interests."

²⁸⁰ See Ex. 10.

²⁸¹ See generally, Ma Depo. at 98; Ma Interview; Sun Interview.

²⁸² Sun Interview.

Another major business venture for Sioeng was arranging U.S. tours for various PRC government officials and businessmen. As noted previously, Sioeng formed the CCAID Executive Program with Johnny Ma.²⁸³ Sioeng assisted the company in marketing its services to Chinese officials,²⁸⁴ and arranging for airline tickets, itineraries, and visas for the travelers.²⁸⁵ Depending on the types of delegations that would come, CCAID also might contact various organizations in order to set up relevant tours.²⁸⁶ Sioeng's partnership with Ma lasted from 1992 through 1993, when Sioeng began his own travel-related company.²⁸⁷ CCAID continued operations until 1996, during which time it hosted delegations from Yunnan Province, consisting of Xishuangbana city officials, public security officials, and border guard and bank officials.²⁸⁸

While at CCAID, Sioeng sought assistance in setting up tours with an old friend, Lay Kweek Wie.²⁸⁹ Witnesses believe that Lay knew Sioeng from his days in Indonesia.²⁹⁰ Committee investigators believe that Lay is currently employed or associated with Sioeng in his current business, Sioeng's Group, where Lay and his son, Bun Tsun Lai, guide delegations of PRC officials on tours of the United States. Both Lay and Lai have asserted their fifth amendment privilege against self-incrimination before the Committee.²⁹¹

Sioeng has also brought at least one individual from a PRC state agency to work in the United States. Teng Meini, formerly an employee of the China Travel Service in Guizhou,²⁹² became the registered agent and Chief Executive Officer of Guangdong China Travel Service, Inc.²⁹³ She served in that capacity from Guangdong's incorporation on May 23, 1995 until October 25, 1995,

²⁸³ See "Sioeng's U.S. Business Interests."

²⁸⁴ Ma Depo. at 16.

²⁸⁵ Id. at 15.

²⁸⁶ Id.

²⁸⁷ Id. at 16.

²⁸⁸ Wire transfers from Yunnan Foreign Service Centre to CCAID in the amount of \$60,722.50, Oct. 17, 1995; \$106,235, Nov. 11, 1995; \$208,985, April 15, 1996, Ex. 126.

²⁸⁹ Ma Depo. at 54.

²⁹⁰ Hsu Interview.

²⁹¹ Letter from Laura S. Shores to Michael D. Bopp, May 20, 1998, Ex. 127.

²⁹² See Ex. 43.

²⁹³ See Ex. 41.

when she was replaced by Jessica Elnitiarta.²⁹⁴ During her brief tenure as a Guangdong official, Teng carried a PRC passport, and obtained a Social Security number.²⁹⁵ The Committee does not know Teng's current location or occupation.

In 1994, Sioeng brought two other PRC nationals to work in the United States under visas valid for only 90 days.²⁹⁶ American Guizhou Pacific Corporation listed Guo Lin and Feng Qian as the Chief Executive Officer and Secretary respectively.²⁹⁷ The Immigration and Naturalization Service failed to provide the Committee with documentation concerning Teng, Feng, or Guo.

Another business with apparent ties to the PRC government is the International Daily News, a newspaper which Sioeng purchased from Simon Chen in 1995. The Committee has learned that Sioeng purchased the paper for approximately \$3 million in installments from 1995 through 1997.²⁹⁸ Committee investigators have traced the funds used to purchase and operate the paper to bank accounts in Hong Kong held by Yanti Ardi.²⁹⁹ The Committee notes these same accounts were used to make many of the Sioeng family's political contributions.

Members of the Chinese-American community believe that the paper was losing money at the time.³⁰⁰ In fact, one source confirmed that the Sioeng family approached him, asking him to take over the paper, and provided him with documentation showing that the paper was losing approximately \$200,000 per month.³⁰¹ Jessica Elnitiarta has stated that her father knew it was losing money,³⁰² but decided to purchase the paper to enhance the family's standing in the local community and to take advantage of the favorable tax advantages in assuming the paper's debt.³⁰³

²⁹⁴ Id., Oct. 25, 1995.

²⁹⁵ Check #102 from Bun Tsun Lai to cash, June 8, 1995, Ex. 128.

²⁹⁶ Visa #364901837 issued to Qian Feng, Feb. 15, 1994; Visa #364901846 issued to Lin Guo, Feb. 15, 1994. Ex. 129.

²⁹⁷ *See* Ex. 44.

²⁹⁸ *See* "Sioeng's U.S. Business Interests."

²⁹⁹ *See* "Sioeng's U.S. Business Interests."

³⁰⁰ Ma Depo. at 95 (stating the Mr. Ma loaned Mr. Sioeng \$50,000 so the IDN could make its payroll).

³⁰¹ Interview of Tei Fu Chen, July 18, 1998.

³⁰² Elnitiarta Interview.

³⁰³ Id.

According to Chen, Sioeng wanted to purchase the paper to “help and support the Chinese culture.”³⁰⁴ Before Sioeng’s purchase of the paper, the editorial position favored the Taiwanese independence movement.³⁰⁵ After the purchase, the paper shifted its editorial position to favor the PRC.³⁰⁶ In addition, the paper began to insert the “Beijing-controlled Hong Kong newspaper, Wen Wei Bo,”³⁰⁷ as a “bonus to its readers.”³⁰⁸

One possible explanation for this change in focus was that Sioeng may have been trying to impress leaders in the PRC and show that he could be influential in the overseas Chinese community in Southern California.³⁰⁹

That explanation is endorsed by Johnny Ma, a former Sioeng business partner, who stated that he believed “he [Sioeng] wanted to use that newspaper [the International Daily News] to bargain with the Beijing government, and he wanted the Beijing government to support his newspaper.”³¹⁰ In fact, Ma believed that Sioeng “wanted to have the Beijing government support him because the newspaper was losing money every month, so he wants them to give him money so that he can hang in there.”³¹¹

Daniel Wong stated that the paper “. . . was a joint venture with China, in one of China’s departments; like cultural department or the news agency department . . . ”³¹² The Committee notes that Sioeng brought several writers and editors from China or Hong Kong to work on the paper.³¹³ Wong stated that “I don’t think he [Mr. Sioeng] spent his own money just to run a

³⁰⁴ Interview of Simon Chen, Jan. 14, 1998.

³⁰⁵ Ma Depo. at 96.

³⁰⁶ Wong Depo. at 136. *See also*, Interview of Simon Chen, Jan. 14, 1998.

³⁰⁷ David Holley, Friendly Summit in Tokyo Leaves Undercurrents of Concern, L.A. Times, April 19, 1996 at A4.

³⁰⁸ Bruce Gilley, A Democratic Donor’s Cambodian Connection, Wall St. J., Jan. 13, 1998.

³⁰⁹ Ma Depo. at 96-99. *See also*, Wong Depo. at 135; Interview of Simon Chen, Jan. 14, 1998.

³¹⁰ Ma Depo. at 96.

³¹¹ Id. at 97.

³¹² Wong Depo. at 137.

³¹³ Wong Depo. at 139.

newspaper and hire these Chinese people.”³¹⁴ In other words, Wong’s perception was that the Chinese government was financially supporting the newspaper.

Sioeng has also developed contacts with many powerful PRC or pro-PRC businessmen, the most prominent of which is Tsang Hin Chi, President of Goldlion International, a large Hong Kong based conglomerate.³¹⁵ His company, which produces items from cigarettes to men’s clothing, derives 80% of its revenue from the PRC.³¹⁶ Tsang is currently a member of the Standing Committee of the 9th National People’s Congress, the organization which controls the Communist Party within the PRC.³¹⁷ Apart from Tsang’s personal involvement in the PRC government, he also frequently meets with senior PRC leaders in Beijing.³¹⁸

Sioeng has very close business ties with Tsang. Sioeng’s company, SS Group, owns 24% of a \$7 million cigarette manufacturing and marketing venture in Hainan Province.³¹⁹ Committee investigators believe that Sioeng assisted Tsang in setting up this venture. On April 25, 1994, Sioeng arranged for Tsang Hin Chi to receive an honorary degree from Iowa Wesleyan College.³²⁰ In 1995, Sioeng hosted a delegation of Chinese tobacco officials at his hotel.³²¹ The leader of the delegation from Hainan Province, Chen Lo Jun, was awarded an honorary degree by American M&N University at the request of Sioeng.³²² That same year, Goldlion reached a business arrangement with Hainan Province.³²³

A year later, Sioeng, Tsang, and Jessica Elnitiarta were listed as directors of Goldlion’s United States subsidiary, Goldlion International, U.S.A., Inc. The President of Goldlion International

³¹⁴ Id. at 139.

³¹⁵ Tsang Hin Chi biography from the Chinese General Chamber of Commerce web site, <<http://www.china.com/main/cgccnew/tsang.html>>. Goldlion produces items ranging from cigarettes to men’s clothing and accessories; honorary degree certificate for Tsang Hin Chi, April 25, 1994. Ex. 130.

³¹⁶ Bruce Gilley, Discordant Sioeng, Far Eastern Econ. Review, June 25, 1998.

³¹⁷ Id.

³¹⁸ Id.

³¹⁹ Id.

³²⁰ *See* Honorary Degree Certificate for Tsang Hin Chi. Ex. 130.

³²¹ Interview of Nancy Chen, June 26, 1998.

³²² Id.

³²³ Adela Ma, Goldlion Snares Final China Tobacco Deal Before Temporary Ban..

was Tsang's son, Jimmy Chi Mai Mao Tsang.³²⁴ On February 19 and 20, 1996, both Jimmy Tsang and his wife as Sioeng's guests, attended a DNC fundraiser at the Hay-Adams Hotel, in Washington, D.C., hosted by President Clinton and Vice President Gore.³²⁵

Sioeng's connections to the PRC run through Macau, as well as Hong Kong. At a May 13, 1996 DNC fundraiser at the Sheraton Carlton, in Washington DC, Chio Ho Cheong (aka Chen Kai Kit, aka Tommy Chio) was a guest of Sioeng's and sat at the head table with President Clinton.³²⁶ Chio used his apparent access to the President during his campaign for Macau's legislative body, featuring a picture of himself with President Clinton prominently in television advertisements.³²⁷ Chio was appointed in 1998 to the Chinese People's Consultative Conference (CPCC) in Beijing,³²⁸ which is the top advisory body in China and has senior Communist Party official Li Ruihan as its chairman.³²⁹

Other Chinese businessmen associated with Sioeng include Li Kwai Fai, Tong Yun Kai, and Guo Zhong Jian:

- Li Kwai Fai is President and CEO of LuDanlan Group, located in Guangzhou, PRC.³³⁰ In February 1996, Li attended the Hay-Adams event as Sioeng's guest where they sat at the head table and later had pictures taken with President Clinton.³³¹ Currently, the picture of President Clinton with Li is advertised on the LuDanlan Group's website.³³² Sioeng also

³²⁴ See Ex. 51.

³²⁵ Guest list of Hay-Adams dinner and breakfast. Ex. 131. See also, photos of Jimmy Tsang and Jean Lim Tsang with President Clinton. Ex. 132.

³²⁶ Head table and guest lists, Sheraton Carlton event. Ex. 133. See also, photo of Chio Ho Cheong and President Clinton. Ex. 134.

³²⁷ Micah Morrison, The Macau Connection II, *Wall St. J.*, Feb. 27, 1998.

³²⁸ Id.

³²⁹ Chinese Newspaper Highlights, Asia Pulse, March 13, 1997 and China's Li Ruihan to Visit Portugal-Lusa, Reuters World Service, March 4, 1997.

³³⁰ See Ex 137.

³³¹ Photo of Li Kwai Fai with President Clinton. Ex. 135. See also Ex. 131.

³³² LuDanlan Corporate Philosophy web page, <http://m-www.com/cn_com/LuDanlan/philo.htm>; honorary degree certificate of Li Kwai Fai, Dec. 18, 1995. Ex. 137.

arranged for Iowa Wesleyan College to award an honorary degree to Li.³³³

- Tong Yun Kai is a Hong Kong businessman and member of Guangdong Province and Fo Shan City Committees of Chinese People's Political Consultative Conference. He received an honorary degree from Iowa Wesleyan College at Ted Sioeng's request.³³⁴
- Guo Zhong Jian was the Deputy General Manager of the China Construction Bank's Hong Kong office.³³⁵ He received an honorary degree from American M&N University at Ted Sioeng's request. In May 1996, Guo attended the Sheraton Carlton dinner with Sioeng. The bank recently sent Guo back to the PRC from his Hong Kong position to "help him keep a lower profile" after he garnered unwanted attention for his attendance at the DNC event.³³⁶

Sioeng also does considerable business with the PRC through World Seal, a company in Hong Kong operated by his son Yopie Elniarta and son-in-law Didi Kurniawan.³³⁷ World Seal ordered over \$20 million in health food products from a California company for distribution in the PRC.³³⁸

3. Conclusions

Sioeng's connections to various members of the PRC government, at the National, Provincial and business level is of great concern to the Committee. The United States Senate, Committee on Government Affairs, found in its unclassified report based upon classified material,³³⁹ that Sioeng ". . . worked, or perhaps still works, on behalf of the Chinese government."³⁴⁰ The Committee believes that the information it has uncovered concerning Sioeng's connections to the PRC tend to support and further enhance that conclusion.

B. Connections to the Cambodian Government

³³³ Id.

³³⁴ See Honorary Degree Certificate, December 1997; business card, and resume of Tong Yun Kai. Ex. 136.

³³⁵ Photo of Guo Zhong Jian and President Clinton. Ex. 138. See also Ex. 131.

³³⁶ Intelligence, Far Eastern Econ. Rev., May 21, 1998.

³³⁷ Id.

³³⁸ See Ex. 24.

³³⁹ See Senate Campaign Finance Report at 2501.

³⁴⁰ See Senate Campaign Finance Report at 2505.

1. Summary

China is not the only country to which Ted Sioeng initiated close ties. He also developed a cozy relationship with the government of Cambodia. Sioeng has had two U.S. educational institutions award honorary degrees to his friends and business associates to enhance their status. Among the people to whom these degrees have been awarded are several Cambodian nationals, two of whom are the current leaders of the government, and one of whom has been banned from the U.S. as a suspected drug dealer. Another individual who received a degree had a financial relationship with Jessica Elnitiarta. Through these people to whom college diplomas were awarded, Sioeng developed close business and personal ties to the Cambodian government. At the same time as Sioeng was cultivating those connections, the government was moving closer to the PRC.

Sioeng's relationships with Cambodian business associates raise a number of troubling questions, many of which remain unanswered due to many key witnesses fleeing the country, and/or asserting their right against self-incrimination and refusal to answer questions posed by the Committee. One such question is the use to which Jessica Elnitiarta put the monies she received. Another is, what was Sioeng's intent in developing close ties to the Cambodian government?

2. Findings

Many of his business associates and acquaintances have described Sioeng as very good at making connections.³⁴¹ One way in particular that Sioeng sought to make connections is through the awarding of honorary degrees to his friends and business associates. Sioeng has used, to the Committee's knowledge, two U.S. educational institutions to further his objectives, Iowa Wesleyan College, a college of roughly 840 full and part-time students in Mt. Pleasant, Iowa;³⁴² and American M&N University, a correspondence school of theology and philosophy registered in Louisiana, but located in a small, second-floor office in a Monterey Park, California, strip mall.

All told, Sioeng persuaded Iowa Wesleyan and American M&N to award at least 20 honorary degrees³⁴³ to various businessmen and government officials of the PRC (including Hong Kong), Macau, Indonesia and Cambodia. Apparently in exchange for those degrees, Sioeng, through his family and businesses, donated from \$370,000 to \$400,000 to Iowa Wesleyan for administrative and tuition costs between 1993 and 1997.³⁴⁴ In addition to those gifts, Sioeng donated \$100,000

³⁴¹ Interview of Johnny Ma, Dec. 8, 1997; Wong Interview.

³⁴² *The Iowan*, Fall 1997 at 2. Ex. 139.

³⁴³ The Committee identified 15 honorary degrees that were awarded by Iowa Wesleyan College to Ted Sioeng and his associates (*See* chart at Ex. 139), and another 5 degrees by American M&N University.

³⁴⁴ Prins Depo. at 14-16.

to the college in 1993, allowing the institution to secure a loan needed to make its payroll.³⁴⁵ Sioeng is also a member of Iowa Wesleyan's Board of Trustees.³⁴⁶

Simon Chen introduced Sioeng to Iowa Wesleyan's President, Robert J. Prins, in 1994.³⁴⁷ At the time, Chen was president of the International Daily News, a Chinese language newspaper that he sold to Sioeng in 1995.³⁴⁸ According to Prins, Chen informed him that Sioeng was interested in obtaining an honorary degree from Iowa Wesleyan College.³⁴⁹ Chen told Prins that Sioeng was "an active businessman that he had supported many groups, both Chinese and community groups within the LA area, [and] that he was involved in business, in both LA and China, [and] Hong Kong. . ."³⁵⁰

Through Prins, Sioeng met the Governor of Iowa, Terry E. Bransted.³⁵¹ In fact, Sioeng got his picture taken with the Governor³⁵² and even asked Prins if Governor Bransted needed some financial help in his re-election campaign.³⁵³ Sioeng also brought a business associate of his, Jerry Sun, Vice President of Minmet K.N. (USA), Inc. to the meeting with the Governor.³⁵⁴

Prins subsequently traveled overseas with Sioeng on several occasions.³⁵⁵ During one of those

³⁴⁵ Id. at 15.

³⁴⁶ Id. at 10.

³⁴⁷ Id. at 12.

³⁴⁸ *See* "Sioeng U.S. Business Interests."

³⁴⁹ Prins Depo. at 13.

³⁵⁰ Id.

³⁵¹ Prins Depo. at 74.

³⁵² Photo of Simon Chen, Sundari Elnitiarta, Ted Sioeng, Gov. Terry Bransted and Robert Prins, Sept. 2, 1993. Ex 140.

³⁵³ Prins Depo. at 74.

³⁵⁴ Interview of Jerry J. Sun, March 19, 1998. Minmet K.N. (USA), Inc. is the United States subsidiary of China Minmetals Group, "one of the 56 key enterprise groups approved by the State Council." China Minmetals Group Web Site, <<http://www.china-times.com/minmetal>>, Ex. 141

³⁵⁵ Id. at 39.

trips, in October 1996, Prins awarded an honorary degree to Cambodia's Second Prime Minister, Samdech Hun Sen.³⁵⁶ Hun Sen, as he is commonly known, is a former Khmer Rouge officer and leader of Cambodia during the Vietnamese occupation.³⁵⁷ He led a bloody coup in July 1997 and ousted the elected First Prime Minister, Prince Norodom Ranariddh.³⁵⁸ Turmoil over the coup -- and criticism of Hun Sen's totalitarian style of governance-- persists to this day.³⁵⁹

Hun Sen moved Cambodia closer to the PRC. After his election as Second Prime Minister, Hun Sen began to court Chinese investment in Cambodia.³⁶⁰ For example, he took the extraordinary step of kicking out Taiwan's representatives from Cambodia and closing their "de facto embassy in Phnom Penh."³⁶¹ The largest Chinese investor in Cambodia is China Everbright, "a huge conglomerate that reports directly to Beijing's cabinet."³⁶²

The PRC supported Hun Sen during the coup, bringing him to the capital city of Beijing in July of 1996 for a public show of support.³⁶³ The People's Republic of China was one of the first foreign governments to recognize the new, Hun Sen-led government.³⁶⁴ Since then, Hun Sen has made several concessions to the Chinese government to maintain their support, including, cutting off a deal to fly direct commercial flights from Phnom Penh to Taipei, allowing Chinese police more power in security matters and suing 10 Cambodian newspapers over stories critical of the Chinese-Cambodian relationship.³⁶⁵

The Committee has developed information suggesting that Sioeng's facilitation of honorary degree ceremonies was consistent with other efforts he undertook to impress the rulers of Cambodia, and, presumably, to facilitate his business ventures there. As an example, Sioeng told

³⁵⁶ Id. at 40; *See also* Honorary Degree Certificate for Samdech Hun Sen. Ex. 142.

³⁵⁷ Tina Rosenberg, Hun Sen Stages an Election, N.Y. Times Mag., Aug. 30, 1998, at 26.

³⁵⁸ Fin. Times (*London*), July 25, 1998, at 7.

³⁵⁹ Tina Rosenberg, Hun Sen Stages an Election, N.Y. Times Mag., Aug. 30, 1998, at 26.

³⁶⁰ Bruce Gilley, Fragile Prospects: Political backing only goes so far for China's investors, Far East. Econ. Rev., Dec. 11, 1997 at 29.

³⁶¹ Bruce Gilley, Staying Power: Taiwan's businesses still have clout in Cambodia, Far East. Econ. Rev., Dec. 11, 1997 at 29.

³⁶² Id.

³⁶³ Id.

³⁶⁴ Id.

³⁶⁵ Id.

Hun Sen after his honorary degree ceremony, that he was close to both President Clinton and PRC Premier Zemin.³⁶⁶ Sioeng also donated motorcycles and money to Hun Sen.³⁶⁷ As further evidence of the close relationship between Sioeng and Hun Sen, Prins told the Committee that he communicated with Hun Sen through Sioeng.³⁶⁸

The Committee found that Iowa Wesleyan awarded three other honorary degrees at Sioeng's recommendation to Cambodian nationals. One went to Hun Sen's "right hand man" Sok An,³⁶⁹ another to casino operator Tony Tandijono,³⁷⁰ and the third to Hoa Bang Huynh, a Cambodian with U.S. citizenship and former business partner of Sioeng.³⁷¹

Sok An's title is Minister in Charge of the Presidency and the Council of Ministers in Cambodia.³⁷² He serves as Hun Sen's spokesman and liaison to the Chinese embassy.³⁷³ Huynh was an original partner in the tobacco manufacturing plant being constructed by Sioeng in Cambodia. He testified that he purchased \$700,000 worth of tobacco equipment from Sioeng's

³⁶⁶ Huynh Interview.

³⁶⁷ Huynh Interview. The Committee notes that during his deposition, Huynh claimed to have no such knowledge of Sioeng's donations to Hun Sen. (*See* Deposition of Hoa Bang Huynh, April 15, 1998 at 12, hereinafter Huynh Depo.)

³⁶⁸ Prins Depo. at 65; *See also* photo of Hun Sen and Sioeng at honorary degree ceremony, Ex. 143.

³⁶⁹ Honorary Degree Certificate and business card for Sok An. Ex. 144.

³⁷⁰ Honorary Degree Certificate and business card for Tony Tandijono. Ex.145.

³⁷¹ Huynh Depo. at 8; *See also*, Honorary Degree Certificate and business card for Hoa Bang Huynh, Ex. 146.

³⁷² *See* Ex. 144.

³⁷³ 40th Anniversary of Sino-Cambodia Ties Marked, Xinhua English Newswire, July 17, 1998. *See also*, Thai Foreign Minister Meets Cambodian King Sihanouk, Hun Sen, Deutsche Press-Agentur, June 27, 1998 (Sok An discussing Hun Sen's position concerning the elections with reporters); Japan Hinted at aid cut unless Ranariddh Pardoned, Japan Econ. Newswire, March 22, 1998 (describing Sok An as "... a close aid to Second Prime Minister Hun Sen."); Cambodian Government plays down Contract for Elections, Deutsche Presse-Agentur, March 20, 1998 (discussing Sok An's briefing of British, Japanese and Australian ambassadors on a secret contract).

US company, Panda Industries.³⁷⁴ However, Huynh sent \$250,000 to Panda Industries³⁷⁵ and transferred the remaining \$450,000 to the personal account of Jessica Elnitiarta.³⁷⁶

According to Huynh, the equipment was defective, so he returned the machinery and demanded a refund. As a result, Sioeng agreed to refund Huynh the money; however, he refunded the money to Huynh, through Tony Tandijono,³⁷⁷ who runs one of two licensed casinos in Phonm Penh, and is also part owner of a weapons firing range north of that city.³⁷⁸

Huynh stated that after Sioeng returned the money, Sioeng formed a partnership with Theng Bunma³⁷⁹ and Mr. Tandijono to run the tobacco plant.³⁸⁰ Reportedly the richest man in Cambodia, Bunma was a “staunch supporter of Hun Sen.”³⁸¹ In fact, he is such a strong supporter of Hun Sen that he bankrolled the coup against Prince Ranariddh.³⁸² Bunma donated over one million dollars in cash and gold to finance Hun Sen’s takeover of the Cambodian government.³⁸³ Bunma gained international attention in April 1997 when he stormed off a Cambodian jetliner in Phonm Penh, demanded a gun from one of his waiting bodyguards, and shot out the plane’s tires, because his luggage had been lost.³⁸⁴

In his interview with the Committee, Huynh stated that Sioeng acknowledged his political

³⁷⁴ Huynh Depo. at 14.

³⁷⁵ See Ex. 100.

³⁷⁶ See Ex. 101.

³⁷⁷ Huynh Depo. at 14.

³⁷⁸ Id.

³⁷⁹ The Committee notes that in his deposition, Huynh testified that he did not know Theng Bunma was. (See Huynh deposition at 15). However, *The Far East. Econ. Rev.* reported that Huynh is a business partner of Bunma (See Bruce Gilley, Rising by Degrees, Aug. 20, 1998).

³⁸⁰ Huynh Interview.

³⁸¹ Nate Thayer, Tycoon Admits to Role in Cambodian Coup, Wash. Post, July 25, 1997 at A4.

³⁸² Id.

³⁸³ Id.

³⁸⁴ Robin McDowell, Tycoon propelled Hun Sen to power in Cambodia coup, Wash. Times at A11, Aug. 14, 1997.

contributions to both Democrats and Republicans.³⁸⁵ Huynh specifically quoted Sioeng as saying that, for \$10,000, he could arrange for Huynh to sit at the head table with the President, presumably at a fundraising lunch or dinner.³⁸⁶ In addition, Huynh stated that Sioeng had asked him if he would like to sponsor a table at a fundraising event scheduled to be attended by President Clinton.³⁸⁷ Huynh did not repeat those assertions under oath. The Committee notes that Ted Sioeng himself was not the signatory on any the contributions to the DNC, rather Jessica Elnitiarta signed the checks. However, Hunyh's statements above supports the conclusion that Sioeng directed Jessica Elnitiarta's contributions.

The Committee has been unable to confirm Huynh's explanation of events, or to reconcile the differences between what he said when interviewed on March 12, 1998 versus his deposition testimony on April 15, 1998. One explanation for the discrepancies is the translation difficulties that arose during the deposition. It was unclear at times whether Huynh fully understood the questions posed.

On December 20, 1997, Iowa Wesleyan College awarded an honorary degree to Theng Bunma at the request of Hun Sen.³⁸⁸ The degree was presented at the Intercontinental Hotel in Phnom Penh, Cambodia which is owned by Bunma.³⁸⁹

The U.S. State Department has made it clear that, aside from his other ventures, Bunma "is closely and heavily involved in drug trafficking in Cambodia."³⁹⁰ Furthermore, the United States government has banned Bunma from entering the country due to his alleged narcotics smuggling.³⁹¹

Then-Ambassador to Cambodia Charles Twining warned Cambodian authorities in 1994 of Bunma's alleged narcotics trafficking.³⁹² Despite these warnings, the State Department "issued

³⁸⁵ Huynh Interview.

³⁸⁶ Id.

³⁸⁷ Huynh Depo. at 22-25.

³⁸⁸ Honorary Degree Certificate and business card for Theng Bunma. Ex. 147.

³⁸⁹ Prins Depo. at 52.

³⁹⁰ Nate Thayer, Drug Suspects Bankroll Cambodian Coup Leader, Wash. Post, July 22, 1997.

³⁹¹ Id.

³⁹² Id. The Committee noted that Ted Sioeng did not make the allegations against Bunma known to Prins when Iowa Wesleyan awarded the honorary degree to Bunma. Prins later

Bunma a visa to attend the National Prayer Breakfast in Washington, an event organized at Congress and presided over by President Clinton. . . After hearing Clinton's speech, Bunma was granted a meeting with U.S. officials at the Pentagon."³⁹³

A guest list from Bunma's honorary degree event shows many Sioeng family members and business associates present at the event.³⁹⁴ This includes: Sandra Elnitiarta; Didi Kurniawan; Yopie Elnitiarta; Kent La; Hung Fei Man; Li Kwai Fai;³⁹⁵ (all of whom attended at least one DNC fundraiser), Frankie Hum, Manager of Chinois Tobacco, Ltd.;³⁹⁶ Ambrose Hsuing, Vice-President, The Sioeng Co. Group;³⁹⁷ Amy Zhang, Personnel Relations, S.S. Group;³⁹⁸ Glenville Stuart,³⁹⁹ Belize consulate personnel; Benny Sit, Director, Well & Well Group;⁴⁰⁰ Yanuar Joeng⁴⁰¹, Vice President WGL Tobacco Ltd. (Director of Worldwide Golden Leaf Tobacco Ltd.); Kook Ying Tai Peter, (aka Peter Kook),⁴⁰² Chairman, Well & Well Group; and Yueng Hong Man,

confronted Sioeng about those allegations, and Sioeng apologized. Iowa Wesleyan subsequently "revoked [the degree] based on the State Department's ruling that Bunma cannot enter the United States and is currently blacklisted." (*See* Prins Depo. at 53.)

³⁹³ Nate Thayer, Drug Suspects Bankroll Cambodian Coup Leader, Wash. Post. July 22, 1997.

³⁹⁴ International Industrial Commercial Conference guest list. Ex. 148; *See also*, picture at conference. Ex. 149.

³⁹⁵ Id.

³⁹⁶ Ted Sioeng serves as Chairman of Chinois Tobacco. *See* "Sioeng's Foreign Business Interests."

³⁹⁷ *See* Ex. 114.

³⁹⁸ *See* "Sioeng's Foreign Business Interests."

³⁹⁹ *See* "Sioeng's U.S. Business Interests."

⁴⁰⁰ In December 1997, Peter Kook, Chairman of the Well & Well Group, was awarded an honorary degree from Iowa Wesleyan College at the recommendation of Ted Sioeng. Honorary Degree Certificate and business card for Peter Kook. Ex. 150.

⁴⁰¹ *See* "Sioeng's Foreign Business Interests."

⁴⁰² *See* "Sioeng's U.S. Business Interests."

Vice-President, International Daily News⁴⁰³ (Hong Kong).⁴⁰⁴

3. Conclusions

Sioeng's relationship with Hun Sen, Theng Bunma, and others in Cambodia is a concern to the Committee. Due to Sioeng's refusal to cooperate with the Committee several important questions remain unanswered.

The Committee has been unable to confirm that the \$700,000 Huynh gave to Jessica Elnitiarta and Panda Industries was for a legitimate business transaction. Nor has it seen documentation that the money was returned, as Huynh testified.

Also unaddressed are questions concerning Sioeng's relationship to powerful figures in Cambodia and China. The nature of the relationships and Sioeng's motives remain unclear, largely because Sioeng and his family have refused to shed light on these and other important questions.

VI. DEMOCRATIC CONTRIBUTIONS

A. John Huang's Role

1. Summary

The Committee has learned that former Commerce Department employee and DNC fundraiser John Huang solicited funds from Ted Sioeng and Jessica Elnitiarta. Huang, a major focus of both the House and Senate investigations into illegal and/or improper activities during the 1996 campaign, asserted his privilege against self-incrimination and has refused to cooperate with the Committee.

2. Findings

DNC tracking forms credit John Huang as the solicitor for all but the first of the Sioeng related contributions.⁴⁰⁵ The Committee notes that all DNC tracking forms recording the Sioeng family's

⁴⁰³ Id.

⁴⁰⁴ The Committee has been unable to contact or speak with many people on this guest list. Some, such as Sioeng's family members and U.S. business associates have asserted their fifth amendment rights. Others have refused to respond to Committee requests for information or to calls from Committee investigators to their offices.

⁴⁰⁵ See, Check #575 from Jessica Elnitiarta to the DNC in the amount of \$100,000, Feb. 12, 1996, Ex. 151; Check #1632 from Panda Estates Investment Inc. to the DNC in the amount of \$100,000, July 12, 1996, Ex. 152; Check #1652 from Panda Estates Investment to the DNC in

contributions appear to be in Huang's handwriting. Huang was first introduced to the Sioeng family in 1995.⁴⁰⁶ Huang's first solicitation for the Sioeng family was in connection with a fundraiser on February 19, 1996, held at Washington, DC's Hay-Adams hotel.⁴⁰⁷ After some negotiation with Huang, Jessica Elnitiarta contributed \$100,000 in connection with that event, or \$12,500 for each of their eight guests.⁴⁰⁸ Huang later claimed that because of their late attendance the family did not have good seats for the event.⁴⁰⁹

However, DNC records and photographs show that Sioeng and one of his Chinese guests sat at the head tables with President Clinton during the dinner, and Vice President Gore at a breakfast the next morning.⁴¹⁰ The Committee notes that, at the Hay-Adams event, President Clinton specifically thanked "those [people in attendance] who have come from other countries to be with us tonight . . ."⁴¹¹

The Committee notes that a DNC staff member told Huang that the Sioeng family participated in the Hay-Adams event in a "relatively major way."⁴¹² The DNC official also stated that the Tanuwidjaja family "is also prominent and can play a major role."⁴¹³

Jessica Elnitiarta stated that, following the Hay-Adams event, Huang gave the family complimentary tickets to a controversial fundraiser held at a Buddhist temple on April 26, 1996.⁴¹⁴ However, Huang's personal documents show that he may have counted on Sioeng for a

the amount of \$50,000, July 29, 1996, Ex. 153; Check #3881 from Loh Sun International, Inc., to the DNC in the amount of \$50,000, July 29, 1996, Ex. 154; Check #134 from Subandi Tanuwidjaja to the DNC in the amount of \$60,000, Sept. 9, 1996, Ex. 155; Check #136 from Subandi Tanuwidjaja to the DNC in the amount of \$20,000, Sept. 19, 1996. Ex. 156; Check #1611 from Suryanti Tanuwidjaja to the DNC in the amount of \$20,000, Sept. 16, 1996. Ex. 157. *See also*, Elnitiarta Interview.

⁴⁰⁶ Elnitiarta Interview.

⁴⁰⁷ Id.

⁴⁰⁸ Id.

⁴⁰⁹ Id.

⁴¹⁰ *See* Ex. 131.

⁴¹¹ White House video of Hay-Adams event.

⁴¹² Facsimile from Anne Edder to John Huang, Mar. 6, 1996, Ex. 158.

⁴¹³ Id.

⁴¹⁴ Elnitiarta Interview.

contribution during that event.⁴¹⁵ Furthermore, Subandi Tanuwidjaja, who at the time was engaged to Laureen Elnitiarta, was listed as attending the event, but his name was later crossed out.⁴¹⁶ The apparent amounts attributed by the DNC to Sioeng, “100/80,” correspond to the amount contributed by Subandi Tanuwidjaja and his sister, Suryanti Tanuwidjaja in September 1996. The event guest list show that Ted Sioeng and Sioeng Fei Man Hung, the editor of the International Daily News, sat at the head table at this event.⁴¹⁷

Huang’s next solicitation of Sioeng was in connection with a May 13, 1996 fundraiser at the Sheraton Carlton Hotel in Washington, D.C. As per DNC protocol, Jessica Elnitiarta faxed a letter giving the background of most of the family’s guests.⁴¹⁸ The Committee notes that, in the facsimile, Elnitiarta referred to “Uncle Huang.”⁴¹⁹ This could either be a traditional Chinese honorific used for older males, or an indication that Huang was personally close to the Sioeng family. DNC records show that Sioeng and two of his guests attended and sat at the head table.⁴²⁰ Jessica Elnitiarta claimed that she did not contribute for this event until July 12, 1996,⁴²¹ at which time she contributed \$100,000 or \$12,500 per-head consistent with the Hay-Adams donation negotiated with Huang.⁴²² Sioeng business associate Kent La also attended this event and had his picture taken with President Clinton.⁴²³

Jessica Elnitiarta stated that Huang then begged her to participate in a July 22, 1996 fundraiser held at the Century Plaza Hotel in California, as he was having trouble obtaining participants.⁴²⁴ Elnitiarta said Huang encouraged her to bring as many guests as she liked.⁴²⁵ Sioeng attended the event, bringing at least one business associate from Hong Kong, Lam Kwok Man, and 48 other

⁴¹⁵ Notes prepared by John Huang. Ex. 159.

⁴¹⁶ Guest list for Tsi Lai Temple event, Apr. 1996. Ex. 160.

⁴¹⁷ Id.

⁴¹⁸ Facsimile from Jessica Elnitiarta to John Huang, Ex. 161.

⁴¹⁹ Id.

⁴²⁰ *See* Ex. 133.

⁴²¹ Elnitiarta Interview.

⁴²² Id.

⁴²³ Picture of President Clinton with Kent La. Ex. 162.

⁴²⁴ Elnitiarta Interview.

⁴²⁵ Id.

guests.⁴²⁶

Sioeng sat at the head table with President Clinton and Lippo executive James Riady.⁴²⁷ Kent La also attended this event.⁴²⁸ Although the DNC credited Huang with La's \$50,000 contribution,⁴²⁹ they attributed it to a July 30, 1998 Presidential dinner at the Jefferson Hotel in Washington, D.C.,⁴³⁰ an event that La certainly did not attend. The DNC also credited Huang with contributions made by Sioeng's in-laws, the Tanuwidjaja's,⁴³¹ to various events, including the same \$60,000 contribution attributed to two different events.⁴³²

3. Conclusions

Huang has not cooperated with the Committee in its investigation of his fundraising activities for the Democratic National Committee.⁴³³ Given the total number of contributions credited to Huang which have been returned as being improper or illegal, the Committee finds that Huang is a central figure in the campaign finance scandal. In addition, the Committee has serious and substantial unanswered questions about Huang's connections to the People's Republic of China.

The Committee concludes that a majority of the contributions made by Sioeng's family and business associates are likely illegal.⁴³⁴ Huang appeared to influence or participate in all of the contributions related to Sioeng.

B. Contributions to the Democratic National Committee

1. Summary

⁴²⁶ Id.

⁴²⁷ Picture of Ted Sioeng, President Clinton, and James Riady. Ex. 163.

⁴²⁸ Ma Interview.

⁴²⁹ *See* Ex. 154.

⁴³⁰ Id.

⁴³¹ *See* Exs. 155-157.

⁴³² *See* Ex. 155.

⁴³³ *See*, Huang chapter.

⁴³⁴ *See*, "The Sioeng-Related Contributions to the DNC Appear to Violate Campaign Finance Laws."

During the 1996 federal election cycle, courted by fundraiser John Huang, Ted Sioeng's family and associates contributed \$400,000 to the DNC. A review of bank records strongly suggests that \$310,000 of the contributions were ultimately funded from foreign accounts in Hong Kong and Indonesia. The remaining \$90,000, while funded from U.S. receipts, remains suspect due to large and continuing foreign subsidies to the family's U.S. businesses from family patriarch and Belize national Ted Sioeng. The result of these subsidies was often a commingling of domestic receipts and foreign funds in accounts from which political contributions were made.

Additional questions are raised by the Sioeng family's deafening silence on the subject of its political contributions. All of the Sioeng family members and those associates closest to the family have either asserted the Fifth Amendment, left the country, or are foreign nationals who have refused to be interviewed. The fact that the people most likely to know about the Sioeng family's political contributions uniformly have refused to talk to the Committee about the contributions casts serious doubt on whether they meet applicable legal and regulatory requirements. Furthermore, they are largely inappropriate under the DNC's own announced standards for contribution retention.

2. Findings

A. Jessica Elnitiarta \$100,000

In connection with a February 19, 1996 fundraiser hosted by the President at the Hay-Adams hotel, Ted Sioeng's oldest daughter, Jessica Elnitiarta, a U.S. legal permanent resident, wrote a personal check for \$100,000 to the DNC⁴³⁵ against a bank account balance of only \$9,225.⁴³⁶ Elnitiarta took steps to cover the check three days later. On February 22, 1996, Elnitiarta, using a power of attorney, transferred \$200,000 from the personal bank account of Ted Sioeng's sister, Yanti Ardi,⁴³⁷ an Indonesian national, to her own account. This \$200,000 came from a \$518,434 wire transfer ten days earlier from Pristine Investments in Hong Kong.⁴³⁸

In short, this \$100,000 contribution was funded by ineligible foreign money and should be returned by the DNC. This is part of a pattern that recurs throughout the brief but curious history of Sioeng-related contributions to the DNC.

B. Panda Estates Investment, Inc. \$100,000

⁴³⁵ See Ex. 151.

⁴³⁶ Grand National Bank statement, Jessica Elnitiarta, Feb. 1996. Ex. 164.

⁴³⁷ Telephone transfer from Yanti Ardi to Jessica Elnitiarta in the amount of \$200,000, Feb. 22, 1996. Ex. 165.

⁴³⁸ Wire transfer from Pristine Investments to Yanti Ardi in the amount of \$518,434, Feb. 12, 1996. Ex. 166.

On July 12, 1996, Jessica Elnitiarta, as President of Panda Estates Investment, Inc., signed a \$100,000 company check to the DNC⁴³⁹ against a negative bank account balance of \$599.⁴⁴⁰ The check cleared the bank on July 25, 1996, causing a negative bank balance of \$100,125.⁴⁴¹ The next day, Elnitiarta telephone transferred \$100,000 from a Panda Estates receipts account towards the overdraft.⁴⁴² Of this transfer, \$60,000 came from Yanti Ardi's personal bank account,⁴⁴³ which in turn was funded by a \$1,652,480 wire transfer on June 28, 1996 from R.T. Enterprises in Hong Kong.⁴⁴⁴ R.T. Enterprises appears to be a Sioeng owned or controlled company. The remaining \$40,000 was funded by a transfer from a Panda Estates receipts account that consisted of domestic rents collected for the month of July 1996.⁴⁴⁵

In short, this contribution of \$100,000 was funded by \$60,000 of foreign money and \$40,000 by domestic sources and, hence, should be returned.

C. Panda Estates \$50,000

On July 29, 1996, Jessica Elnitiarta signed a \$50,000 company check to the DNC⁴⁴⁶ from Panda Estates Investment against a negative bank account balance of \$2,351.⁴⁴⁷ The check cleared the bank on August 5, 1996 causing a \$48,198 overdraft.⁴⁴⁸ The next day, Elnitiarta covered part of the overdraft through a \$40,000 transfer of domestic rental receipts for the month of August

⁴³⁹ See Ex. 152.

⁴⁴⁰ Grand National Bank statement, Panda Estates Investment, Inc., Jul. 1996. Ex. 167.

⁴⁴¹ Id.

⁴⁴² Telephone transfer from Panda Estates Investment receipts account to disbursement account in the amount of \$100,000, Jul. 26, 1996; Check #2309 from Yanti Ardi to Panda Estates Investment in the amount of \$60,000, Jul. 26, 1996. Ex. 168.

⁴⁴³ Id.

⁴⁴⁴ See Ex. 110.

⁴⁴⁵ Grand National Bank statement, Panda Estates Investment, Inc., deposits into receipts account, Jul. 5-22, 1996. Ex. 169.

⁴⁴⁶ See Ex. 153.

⁴⁴⁷ See Ex. 167.

⁴⁴⁸ Grand National Bank statement, Panda Estates Investment. Inc., Aug. 1996. Ex. 170.

1996.⁴⁴⁹ The remaining overdraft was covered by an August 6, 1996 transfer of \$10,000 from the bank account of Code 3 USA, the family's gun and ammunition business, operated by Elnitiarta's husband, Ridwan Dinata.⁴⁵⁰ This transfer came from an August 5, 1996 advance of \$10,000 against Code 3's \$250,000 bank credit line.⁴⁵¹ On September 10, 1996, Elnitiarta appears to have repaid Code 3 the \$10,000 from her personal bank account.⁴⁵²

In conclusion, this \$50,000 contribution appears to have been funded by domestic rental receipts. Nevertheless, Ted Sioeng's probable involvement with this and the two other DNC contributions made by his daughter, Jessica, raises troubling and severe doubts about the legality and appropriateness of this contribution.

D. Loh Sun International \$50,000

On July 29, 1996, the same day as Jessica Elnitiarta wrote the above \$50,000 check to the DNC, Ted Sioeng associate Kent La, a U.S. legal permanent resident, also wrote a \$50,000 check to the DNC.⁴⁵³ As President of Loh Sun International, Kent La signed a company check to the DNC against a July 29, 1996 bank balance of \$262,185.⁴⁵⁴ Five days earlier, on July 24, 1996, the company account had received a \$97,555 wire transfer from R.T. Enterprises in Hong Kong,⁴⁵⁵ which appears to be owned or controlled by Ted Sioeng. Although documentation of the wire transfer indicates the funds were for "Hongtashan Advertising,"⁴⁵⁶ the amount of the transfer and its close proximity to Loh Sun's contribution to the DNC raise serious questions about its true purpose and use.

Moreover, the mystery surrounding this contribution is compounded by a check signed by Kent

⁴⁴⁹ Telephone transfer from Panda Estates Investment (receipts) to Panda Estates Investment (disbursement) in the amount of \$40,000, Aug. 6, 1996. Ex 171.

⁴⁵⁰ See Ex. 87.

⁴⁵¹ Telephone transfer from Code 3 USA (loan) to Code 3 USA (bank) in the amount of \$10,000, Aug. 5, 1996. Ex. 172.

⁴⁵² See Ex. 88.

⁴⁵³ See Ex. 154.

⁴⁵⁴ United Pacific Bank statement, Loh Sun International, Jul. 1996. Ex. 173.

⁴⁵⁵ See Ex. 10.

⁴⁵⁶ Id.

La on an account with his wife, Nancy.⁴⁵⁷ The check, dated October 28, 1996 in the amount of \$20,000, is payable to Loh Sun International, but was not deposited until December 23, 1996. On the memo line La has written, “Donation to DNC - 7/29/96.” It is unclear why La would reimburse his own company for a political contribution. One explanation is that he was attempting to “cure,” after the fact, a conduit contribution funded by Ted Sioeng with foreign funds.

E. The Tanuwidjaja Family Contributions

Within 10 days in September 1996, the Tanuwidjaja family, to which the Sioeng family is related through marriage and family businesses, made three contributions to the DNC totaling \$100,000 as follows:

Subandi Tanuwidjaja \$80,000

On September 9, 1996, Ted Sioeng’s son-in-law, Subandi Tanuwidjaja, a U.S. legal permanent resident, signed a \$60,000 personal check to the DNC⁴⁵⁸ against a U.S. bank balance of \$66,050.⁴⁵⁹ Three days before, the account received a \$100,000 personal check from the U.S. bank account of his father, Susanto Tanuwidjaja, an Indonesian national.⁴⁶⁰ Susanto’s check was funded by a \$100,000 wire transfer on August 21, 1996 from an Indonesian bank account in the name of Subandi Tanuwidjaja.⁴⁶¹ The fact that the foreign money was wired into Susanto’s U.S. bank account and not his son’s suggests that the money may have been his, and raises questions about the legality of the contribution. It thus appears that this \$60,000 contribution may have been funded by foreign money by a foreign national and should be returned by the DNC.

On September 19, 1996, Subandi Tanuwidjaja signed a \$20,000 personal check to the DNC⁴⁶² against a bank balance of \$25,640.⁴⁶³ The day before, the account received a \$20,000 wire

⁴⁵⁷ Check #143 from Kent La to Loh Sun International in the amount of \$20,000, Oct. 28, 1996. Ex. 174.

⁴⁵⁸ See Ex. 155.

⁴⁵⁹ Western State Bank statement, Subandi Tanuwidjaja, Sept. 13, 1996. Ex. 175.

⁴⁶⁰ Check #1026 from Susanto Tanuwidjaja to Subandi Tanuwidjaja in the amount of \$100,000, Sept. 6, 1996. Ex. 176.

⁴⁶¹ Wire transfer from Subandi Tanuwidjaja to Susanto Tanuwidjaja in the amount of \$100,000, Aug. 21, 1996. Ex. 177.

⁴⁶² See Ex. 156.

⁴⁶³ Western State Bank statement, Subandi Tanuwidjaja, Oct. 15, 1996. Ex. 178.

transfer from Dragon Union, Ltd. in Hong Kong.⁴⁶⁴ Subandi Tanuwidjaja is Dragon Union's sole corporate director.⁴⁶⁵ It thus appears that this \$20,000 contribution was funded by foreign money and should be returned by the DNC.

Suryanti Tanuwidjaja \$20,000

On September 16, 1996, Ted Sioeng's daughter-in-law, Suryanti Tanuwidjaja, a U.S. legal permanent resident, signed a \$20,000 personal check to the DNC⁴⁶⁶ against a bank balance of \$61,726.⁴⁶⁷ Two days later, the account received a \$20,000 wire transfer from Dragon Union, Ltd in Hong Kong,⁴⁶⁸ for which her brother, Subandi Tanuwidjaja, is the sole corporate director.

Hence, although sufficient domestic funds existed at the time the check was written, the close proximity, same amount, and similar circumstances of the \$20,000 contribution suggests a coordinated scheme to make a contribution and reimburse the donation with foreign funds.

In this case, as with Subandi's \$20,000 contribution, it appears that the Dragon Union transfers were intended to fund or reimburse the DNC contributions.

C. CONTRIBUTIONS TO GOVERNOR GARY LOCKE

1. Summary

The Committee has found that Ted Sioeng's political contributions and activities were not limited to political parties, but included donations to --and apparently fundraising on behalf of-- candidates for state and local offices. One candidate who benefitted from Sioeng's generosity was Gary Locke, the current Governor of Washington State, who became the first governor of Chinese descent in American history.

Committee investigators identified eight contributions from Sioeng family members and associates totaling \$8,700 around July 29, 1996 to Gary Locke's 1996 campaign for Governor of Washington State. Committee investigators traced the funding of five of the contributions totaling \$5,500 to a foreign bank account in Hong Kong that the Committee has associated with

⁴⁶⁴ Wire transfer from Dragon Union to Subandi Tanuwidjaja in the amount of \$20,000, Sept. 18, 1996. Ex. 179.

⁴⁶⁵ See Ex. 23.

⁴⁶⁶ See Ex. 157.

⁴⁶⁷ Bank of America statement, Suryanti Tanuwidjaja, Sept. 27, 1996. Ex. 180.

⁴⁶⁸ Wire transfer from Dragon Union to Suryanti Tanuwidjaja in the amount of \$20,000, Sept. 18, 1996. Ex. 181.

Ted Sioeng. Additionally, four of the payments totaling \$4,400 appear to be illegal “straw donor” conduit payments by employees of companies that the Sioeng family either owns or does business with. Committee investigators presented information on one contributor for which they had completed work to Governor Locke during a deposition on July 7, 1998. Locke stated, “The circumstances didn’t look at that legit when they showed it to us.”⁴⁶⁹ The Governor’s campaign refunded the \$1,100 contribution on July 23, 1998.⁴⁷⁰

The Committee has found no evidence to indicate that Governor Locke knowingly accepted illegal donations from Sioeng’s family and associates. However, the Committee has serious questions regarding some of the contributions and their apparent violation of federal campaign funding laws.

2. The Relationship of Governor Locke to Ted Sioeng

Governor Locke stated that he first met Ted Sioeng during a DNC fund-raiser at the Sheraton-Carlton Hotel in Washington, D.C. which took place on May 13, 1996 and was attended by President Clinton.⁴⁷¹ Sioeng told Governor Locke that he was in the newspaper publishing business and that he manufactured and exported tobacco products to China.⁴⁷²

Governor Locke stated that the only other time he recalled meeting with Ted Sioeng was in Los Angeles in July 1996.⁴⁷³ This meeting was arranged by David Lang of Lang, Murakawa, & Wong, a firm hired by the Gary Locke for Governor campaign to raise funds in Southern California.⁴⁷⁴ The meeting occurred on July 1, 1996, at the Sioeng owned International Daily News in Monterey Park, California. The next day, the paper published an article with the headline, “Gary Locke and his wife visit old friend Ted Sioeng at the International Daily News.” In this article, Sioeng expressed his support for Locke’s campaign and claimed that he was to be the co-chairman of a large scale fund-raiser for Locke on August 5 in Southern California.⁴⁷⁵

⁴⁶⁹ David Postman, Investigation of foreign campaign donations entangles Locke, Seattle Times, Aug. 6, 1998.

⁴⁷⁰ Letter from Blair Butterworth to Sylvana Djojmartono with refund check #1575 for \$1,100, Jul. 23, 1998. Ex. 182.

⁴⁷¹ Locke Depo. at 15.

⁴⁷² Id. at 17.

⁴⁷³ Id. at 19.

⁴⁷⁴ Id. at 18.

⁴⁷⁵ Article from International Daily News, July 2, 1996 (translated by Michael D. Yan). Ex. 183.

Governor Locke confirmed that Sioeng volunteered to raise funds for his campaign,⁴⁷⁶ however, the proposed Sioeng fundraiser never materialized. In addition, Governor Locke refuted the statement that he was an old friend of Ted Sioeng and considered it self-promotional.⁴⁷⁷ However, Governor Locke acknowledged contributions to his campaign by Sioeng family members.⁴⁷⁸

3. The Sioeng Contributions to Gary Locke

The Committee determined that although Ted Sioeng did not contribute directly to Gary Locke's campaign, he apparently arranged for some contributions totaling \$8,700. An invoice from David Lang for fundraising services indicated that some \$8,700 contributed by persons related or otherwise connected with Ted Sioeng's was actually "raised from Ted Sioeng."⁴⁷⁹ The eight contributions from Sioeng family members and associates were all dated around July 29, 1996, less than a month after Governor Locke's visit with Ted Sioeng at the International Daily News:

- **Sylvana Djojmartono** (an employee of the Hollywood Metropolitan Hotel owned by the Sioengs) contributed \$1,100.⁴⁸⁰ Committee investigators determined this to be an illegal "straw donor" contribution funded by foreign money. When subpoenaed by the Committee, Djojmartono asserted her privilege against self-incrimination.⁴⁸¹

On July 29, 1996 Sioeng's daughter, Jessica Elnitiarta, wrote a \$1,100 check from her personal bank account payable to "cash" for which the memo line said "Donation for Gary Locke for Governor."⁴⁸² The same day, Djojmartono endorsed Elnitiarta's check, deposited it into her personal bank account, and wrote an \$1,100 check to Gary Locke for Governor. At the time Jessica wrote the check to "cash," her bank account was overdrawn by \$13,045.⁴⁸³ To cover this overdraft, she transferred \$45,000 from the personal bank account of Ted Sioeng's sister, Yanti

⁴⁷⁶ Locke Depo. at 67.

⁴⁷⁷ Id. at 25.

⁴⁷⁸ Id. at 34.

⁴⁷⁹ Invoice from David Lang, Aug. 8, 1996. Ex. 184.

⁴⁸⁰ Check #2882 from Sylvana Djojmartono to Gary Locke for Governor in the amount of \$1,100, July 29, 1996. Ex. 185.

⁴⁸¹ Letter from Laura Shores to Michael Bopp, July. 17, 1998. Ex. 186.

⁴⁸² Check #198 from Jessica Elnitiarta to cash in the amount of \$1,100, July 29, 1996. Ex. 187.

⁴⁸³ Grand National Bank statement, Jessica Elnitiarta, July 1996. Ex. 188.

Ardi on August 1, 1996.⁴⁸⁴ This transfer, in turn, was financed by a June 28, 1996 wire transfer of \$1,652,480 from RT Enterprises in Hong Kong, which the Committee has determined is affiliated with Ted Sioeng and his tobacco interests overseas.⁴⁸⁵ After committee investigators presented Governor Locke with the above information at a July 7, 1998 deposition, this contribution was refunded to Djojmartono on July 23, 1998. Locke stated, “The circumstances didn’t look at that legit when they showed it to us.”⁴⁸⁶

- **Sundari Elnitiarta** (Sioeng’s wife) contributed \$1,100.⁴⁸⁷ Committee investigators determined that this contribution was funded by foreign money. This contribution was written against a bank balance of \$16,264.⁴⁸⁸ The check was financed from a \$30,000 transfer from the personal bank account of Yanti Ardi on July 24, 1996.⁴⁸⁹ That deposit, in turn, was financed by a June 28, 1996 wire transfer of \$1,652,480 from R.T. Enterprises in Hong Kong.⁴⁹⁰
- **Chew Nin Kim and Yen Chu (Margaret) Kim** (officers of Supertrip Travel along with Ted Sioeng, located in the Hollywood Metropolitan Hotel complex owned by the Sioengs⁴⁹¹) each contributed \$1,100.⁴⁹² Committee investigators believe these to be illegal “straw donor” contributions funded by foreign money from the Sioengs.

⁴⁸⁴ Telephone transfer from Yanti Ardi to Jessica Elnitiarta in the amount of \$45,000, Aug. 1, 1996. Ex. 189.

⁴⁸⁵ See Ex. 110.

⁴⁸⁶ See Ex. 182. David Postman, Investigation of foreign campaign donations entangles Locke, Seattle Times, Aug. 6, 1998.

⁴⁸⁷ Check #1533 from Sundari, Sandra, Laureen Elnitiarta to Gary Locke for Governor in the amount of \$1,100, July 29, 1996. Ex. 190.

⁴⁸⁸ Grand National Bank statement, Sundari, Sandra, Laureen Elnitiarta, July 1996. Ex. 191.

⁴⁸⁹ Telephone transfer from Yanti Ardi to Sundari Elnitiarta in the amount of \$30,000, July 24, 1996. Ex. 192.

⁴⁹⁰ See Ex. 110.

⁴⁹¹ See Ex. 44.

⁴⁹² Check #7206 from Chew Nin Kim to Gary Locke for Governor in the amount of \$1,100, July 28, 1996; Check #102 from Yen Chu Kim to Gary Locke for Governor in the amount of \$1,100, July 28, 1996. Ex. 193.

The Committee believes that Supertrip Travel provided each officer with \$1,100,⁴⁹³ which may have been funded by a July 22, 1996 check from Jessica Elnitiarta for \$4,200.⁴⁹⁴ She financed that check with a \$50,000 transfer from the personal bank account of Yanti Ardi on July 18, 1996.⁴⁹⁵ The source of Ardi's funds, again, was a June 28, 1996 wire transfer of \$1,652,480 from R.T. Enterprises in Hong Kong.⁴⁹⁶ The Committee notes that it is still awaiting bank documents related to these transactions.

- **Glenville Stuart** (Sioeng associate) contributed \$1,100 to Gary Locke's campaign.⁴⁹⁷ The contribution appears to have been funded by a \$15,000 loan advance on July 2, 1996.⁴⁹⁸ Committee staff deposed Stuart on February 18, 1998, before becoming aware of his contribution to Governor Locke.
- **Gretel Pollard** (an employee of Glenville Stuart's Sunset Market & Liquor) contributed \$1,100.⁴⁹⁹ Committee investigators believe this is an illegal "straw donor" contribution later reimbursed with foreign money from Ted Sioeng.

On July 29, 1996, Pollard wrote a \$1,100 check to Gary Locke for Governor against a bank balance of only \$24.⁵⁰⁰ Committee investigators found that on August 1, 1996, Stuart wrote a personal check to Pollard for \$1,500 which she deposited into her personal bank account to

⁴⁹³ The Committee is awaiting documents responsive to a subpoena.

⁴⁹⁴ Check #177 from Jessica Elnitiarta to Supertrip Travel in the amount of \$4,200, July 22, 1996. Ex. 194.

⁴⁹⁵ Check #2308 from Yanti Ardi to Jessica Elnitiarta in the amount of \$50,000, July 18, 1996. Ex. 195.

⁴⁹⁶ See Ex. 110.

⁴⁹⁷ Check #371 from Glenville Stuart to Gary Locke for Governor in the amount of \$1,100, July 29, 1996. Ex. 196.

⁴⁹⁸ Telephone transfer from Glenville Stuart loan account to Glenville Stuart checking account in the amount of \$15,000, July 2, 1996. Ex. 197.

⁴⁹⁹ Check #224 from Gretel Pollard to Gary Locke for Governor in the amount of \$1,100, July 29, 1996. Bank of America statement for Gretel Pollard, Jul. 23-Aug.21, 1996. Check #374 from Glenville Stuart to Gretel Pollard and deposit slip in the amount of \$1,500, Aug. 1, 1996. Ex. 198.

⁵⁰⁰ See Ex. 198.

cover the Locke check which Stuart funded from the July 2, 1996 loan advance.⁵⁰¹ However, on September 9, 1996, Stuart reimbursed Sunset Market \$1,100,⁵⁰² against a bank balance of \$20,391.⁵⁰³ The money for this reimbursement was financed by a September 5, 1996 wire transfer of \$20,000 from R.T. Enterprises in Hong Kong.⁵⁰⁴

- **Ridwan Dinata** (Jessica's husband) donated \$1,000,⁵⁰⁵ against a bank balance of \$3,426.⁵⁰⁶ The check was funded by a \$3,000 check from Code 3 USA, the family's gun and ammunition business. The memo line of the check said "Transfer to personal acct (Sioeng)."⁵⁰⁷ Dinata transferred the remaining \$2,000 back to Code 3 on July 31, 1996.⁵⁰⁸ The \$3,000 was funded by domestic business receipts or loan advances from a business credit line.⁵⁰⁹
- **Kent La** (Sioeng associate and President of Loh Sun International) contributed \$1,100.⁵¹⁰ This contribution was funded from a \$4,870 deposit on July 25, 1996, which included \$2,940 in cash from an unknown source.⁵¹¹

4. Conclusions

⁵⁰¹ See Exs. 198 and 197.

⁵⁰² Check #381 from Glenville Stuart to Sunset Market in the amount of \$1,100, Sept. 9, 1996. Ex. 199.

⁵⁰³ Grand National Bank statement, Glenville Stuart, Sept. 1996. Ex. 200.

⁵⁰⁴ Transfer from R.T. Enterprises to Glenville Stuart in the amount of \$20,000, Sept. 5, 1996. Ex. 201.

⁵⁰⁵ Check #295 from Ridwan Dinata to Gary Locke for Governor in the amount of \$1,000, July 29, 1996. Ex. 202.

⁵⁰⁶ Grand National Bank statement, Ridwan Dinata, July 1996. Ex. 203.

⁵⁰⁷ Check #1129 from Code 3 USA to Ridwan Dinata in the amount of \$3,000, July 29, 1996. Ex. 204. See also Note 476.

⁵⁰⁸ Check #298 from Ridwan Dinata to Code 3 USA in the amount of \$2,000, July 31, 1996. Ex. 205.

⁵⁰⁹ Grand National Bank statement, Code 3, USA, July 31, 1996. Ex. 206.

⁵¹⁰ Check #144 from Kent La to Gary Locke for Governor in the amount of \$1,100, July 29, 1996. Ex. 207.

⁵¹¹ Deposit slip, Kent La, July 25, 1996. Ex. 208.

The Committee found no evidence that Gary Locke solicited contributions from Ted Sioeng, a foreign national, or engaged in any improper campaign-related activities. However, Locke's campaign accepted what appear to be conduit contributions funded with foreign money, and may have actively solicited the \$8,700 in contributions from Ted Sioeng.

VII. THE SIOENG-RELATED CONTRIBUTIONS TO THE DNC APPEAR TO VIOLATE CAMPAIGN FINANCE LAWS

A. Summary

There is strong evidence that most of the political contributions made by Ted Sioeng's family and associates to the Democratic National Committee are not legal. Over 75 percent of the funds used to make the \$400,000 in contributions described in the previous section were wired into the United States from foreign bank accounts in Hong Kong and Indonesia. More likely, the contributions were illegally made and should have been returned over a year ago.

Each of the contributions suffer from one or both of the following legal deficiencies: (1) the nominal contributor was influenced by Ted Sioeng or another foreign national who participated in the contribution decision; or (2) the contribution was made by a U.S. corporation using foreign money, and not from its domestic profits as the law requires.

B. Contributor Influenced by a Foreign National

The three contributions made by Jessica Elnitiarta individually and through Panda Estates to the DNC are highly suspect -- and likely illegal -- due to Ted Sioeng's probable involvement in the decision-making processes. As discussed previously, the three contributions are as follows:

<u>Account Name</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Returned</u>
Jessica Elnitiarta	02/19/96	\$100,000	No *
Panda Estates Investment	07/12/96	\$100,000	No *
Panda Estates Investment	07/29/96	\$50,000	No *

* As of Sept. 16, 1998.

The Federal Election Campaign Act ("Act") prohibits foreign nationals from making contributions in connection with an election to a political office.⁵¹² The prohibition applies whether the contribution is made directly or indirectly and is codified in Federal Election Commission regulations as follows:

A foreign national shall not directly or through any other person make a contribution, or

⁵¹² 2 U.S.C. § 441e.

an expenditure, or expressly or impliedly promise to make a contribution, or an expenditure, in connection with a convention, a caucus, or a primary, general, special, or runoff election in connection with any local, State, or Federal public office.⁵¹³

Moreover, FEC regulations prohibit individuals who are foreign nationals from directing, dictating, controlling, or participating in decision-making processes through which a domestic corporation decides to make a political contribution.⁵¹⁴ In other words, if a foreign national directed the president of a U.S. corporation to contribute to the DNC, that would be illegal. Similarly, it would have been illegal for Ted Sioeng to direct his daughter to contribute to the DNC, or even to “participate” in the decision-making process.⁵¹⁵ Given what the Committee has learned about the Sioeng family, it seems extremely likely that Ted Sioeng did “participate” in the decisions to contribute \$250,000 to the DNC in 1996.

Three associates of Ted Sioeng told the Committee that the Sioeng family patriarch likely would have directed or approved the \$250,000 in DNC contributions made by his daughter, Jessica Elnitiarta:

Business partner Johnny Ma, in response to a question about Sioeng’s control of the family money, testified that, if one of Sioeng’s daughters “were to write a check, it would have to be first approved by the father. Only when the father [said] yes, then she would write a check.”⁵¹⁶ In a subsequent interview, Ma told Committee staff that he avoided business dealings with Jessica Elnitiarta because she could not act without permission from her father.⁵¹⁷ Ma stated further his belief that Jessica Elnitiarta would have needed Ted Sioeng’s approval to contribute to the DNC.⁵¹⁸

Tei Fu Chen, another Sioeng business associate, told Committee staff that Sioeng raised his family in a traditional, Chinese manner.⁵¹⁹ He explained that, consistent with this style of family life, Sioeng would have controlled the family businesses and would have made the family’s important

⁵¹³ 11 C.F.R. 110.4(a)(1).

⁵¹⁴ See 11 C.F.R. § 110.4(a)(3). Note that the prohibition extends to persons as well. Hence, under federal regulations, a foreign national may not “directly or indirectly participate in the decision-making process of any person” with regard to a political contribution. Id.

⁵¹⁵ Id.

⁵¹⁶ Ma Depo. at 86.

⁵¹⁷ Ma Interview.

⁵¹⁸ Id.

⁵¹⁹ Interviews with Tei Fu Chen, June 12, 1998 and July 17, 1998.

decisions.⁵²⁰ Chen opined that the \$250,000 in DNC contributions made by daughter Jessica would have met with Sioeng's approval, if he did not direct the contributions himself.⁵²¹

A third Sioeng associate, Daniel K. Wong, expressed a similar understanding to the Committee. Wong testified that, while he believed Jessica Elnitiarta had the power to sign checks and could attempt to influence her father, he was not certain as to whether she "make[s] the final decision or not" in business contexts.⁵²² In a subsequent interview, Wong told Committee staff that Sioeng -- not his daughter -- would have decided whether or not to make political contributions.⁵²³ Furthermore, Wong said that Jessica Elnitiarta was not involved in politics and that Jessica's father, not Jessica, was the family-member approached by political fund-raisers.⁵²⁴ This is consistent with what the Committee has learned about David Lang's fund-raising for Washington State Governor Gary Locke.⁵²⁵

C. Corporate Contribution Made with Foreign Funds

The Federal Election Commission interprets the Act and its regulations as prohibiting a domestic subsidiary of a foreign corporation from making political contributions with funds from the parent.⁵²⁶ The FEC has applied this prohibition broadly, ruling that it extends to a situation where "most" of the funds used to make a political contribution ultimately come from a foreign parent.⁵²⁷ Likewise, the FEC has not limited the prohibition to situations involving a foreign parent corporation and a domestic subsidiary. Rather, it has applied the rationale "to the parallel situation of . . . domestic corporations majority-owned by foreign national individuals."⁵²⁸

⁵²⁰ Id.

⁵²¹ Id.

⁵²² Wong Depo. at 63-64. Significantly, when asked whether Jessica Elnitiarta "was entrusted with making significant business decisions," Wong's immediate response did not focus upon whether Jessica could make independent decisions for the family businesses, but whether she could influence her *Ted Sioeng's* decisions. "My impression is . . . she can make influence, and I'm sure that the father might listen to her in a certain way." Id. at 64.

⁵²³ Wong Interview.

⁵²⁴ Id.

⁵²⁵ See "Contributions to Governor Gary Locke."

⁵²⁶ See FEC Advisory Opinion 1989-20.

⁵²⁷ Id.

⁵²⁸ In re Royal Hawaiian Country Club, FEC MUR 2892 at 8 (1993). Ex. 209.

This legal framework makes it abundantly clear that a United States corporation cannot make political contributions with funds provided from abroad. Yet this is precisely how Panda Estates funded most of its \$100,000 contribution to the DNC. And it is likely how Loh Sun International funded its \$50,000 contribution to the same entity.

D. DNC Response

The DNC has not returned any of the \$400,000 in Sioeng-related contributions it received in 1996. This is not because the DNC failed to review the seven contributions, because it did. Rather, the money was retained after the DNC conducted what it termed an “in-depth” review of many suspect contributions. In reality, the review was based largely on information from public databases and representations made by the contributors themselves, when they actually were contacted.⁵²⁹ However, it is important to note that all of the witnesses have either taken the fifth amendment, fled the country, or refused to provide any testimony under oath.

On May 14, 1998, the Committee deposed Joseph Sandler, General Counsel of the Democratic National Committee since February 1993, on the subject of the Sioeng-related contributions as well as DNC guidelines concerning what types of contributions it accepts and retains. The communications preceding Sandler’s deposition are an instructive look into the DNC’s position on these matters.

On March 18, 1998, Committee staff contacted counsel for the DNC and requested that DNC Chairman, Governor Roy Romer, agree to be deposed on the above matters. On March 24, 1998, DNC counsel wrote back, ignoring the request to depose Governor Romer, but stating the DNC’s position on the \$250,000 contributed by Jessica Elnitiarta and Panda Estates Investment as follows:

A review of information relating to these contributors indicates that Ms. Elnitiarta has been in residence in the State of California for some time, and that Panda Estates Investment Inc. was incorporated in the State of California in April of 1993. Additional inquiry has shown that both Ms. Elnitiarta and Panda Estates Investment Inc. have substantial assets in the United States. Again, all of this information has been provided to your Committee.

A meeting between counsel for the DNC and counsel for Ms. Elnitiarta confirmed that Ms. Elnitiarta was a permanent resident of the United States of substantial means. The DNC also received the assurance of her law firm that the referenced contributions were entirely lawful. Subsequent to this meeting, her law firm has publicly stated that any political contributions made by Ms. Elnitiarta ‘personally or through her business interests, * * * have been lawful and properly documented.’ In the same statement they have also

⁵²⁹ See, e.g., Democratic National Committee, DNC In-Depth Contribution Review, at 2-3. Ex. 210.

publicly confirmed that Ms. Elnitiarta has been a permanent resident of the United States for more than five years and has resided in California for more than ten years. They go on to state that she is 'a successful businesswoman who, along with her family, has done a great deal to promote the economic and social development of the Asian-American community in California and throughout the United States.'

* * *

Based on this information, the DNC determined to retain the referenced contributions for the simple reason that no credible information has been advanced to support a contrary course of action.⁵³⁰

This curious explanation rests not on any sort of proof that the contributions in question are legal, but on the notion that the money need not be returned unless someone comes forward with evidence proving its illegality. Essentially, the DNC's position was (and, presumably, is) that because Jessica Elnitiarta is a U.S. citizen and Panda Estates a U.S. company, and both appear to have assets, there is no reason to return the money. Furthermore, the family lawyers told the DNC that the contributions were legal, although apparently they did not explain in any detail the sources of funds used to make the contributions, or why their clients believe discussing the matter under oath might incriminate them.

On March 30, 1994, Committee staff wrote counsel for the DNC again seeking to depose Governor Roy Romer.⁵³¹ The letter explained that, while the Committee appreciated receiving the DNC's position on the Elnitiarta and Panda Estates contributions, the deposition would be broader, exploring DNC policies on the retention or return of contributions as well as other matters.⁵³²

Counsel for the DNC responded by letter dated April 3, 1998.⁵³³ In it, DNC counsel explained that "the DNC's decision with regard to retaining the contributions from Jessica Elnitiarta and her company, as well as the other contributions about which you now indicate you seek information (contributions from Subandi and Suryanti Tanuwidjaja and Loh Sun International), were the result

⁵³⁰ Letter from Judah Best, DNC counsel, to Richard D. Bennett, Chief Counsel, Government Reform and Oversight Committee, Mar. 24, 1998 (with attachment). Ex. 211.

⁵³¹ Letter from Richard D. Bennett, Chief Counsel, Government Reform and Oversight Committee, to Judah Best, DNC counsel, Mar. 30, 1998. Ex. 212.

⁵³² Id.

⁵³³ Letter from Judah Best, DNC counsel, to Richard D. Bennett, Chief Counsel, Government Reform and Oversight Committee, Apr. 3, 1998 (with attachment). Ex. 213.

of an inquiry commenced in November of 1996 which concluded in late February of 1997.”⁵³⁴ This was the DNC’s “In-Depth Contribution Review,” conducted at the DNC’s behest by the law firm Debevoise & Plimpton and the Big-6 accounting firm, Ernst & Young. As part of the review, the DNC had Debevoise & Plimpton and Ernst & Young examined all contributions of \$2,500 or more solicited by John Huang, which included the seven Sioeng-related contributions.⁵³⁵

In the April 3, 1998 letter, DNC counsel was adamant that Governor Romer was the wrong person to depose about DNC policies and the Sioeng-related contributions. As a result, the Committee agreed to depose Joseph Sandler, and did so on May 14, 1998.

As general counsel to the DNC, Sandler is responsible for all legal matters affecting the national party, including campaign finance, election, and ethics-related matters at the federal, state, and local levels.⁵³⁶ Sandler testified that, during the 1996 election cycle, the DNC vetted contributions it received by reviewing each for both appropriateness and legality.⁵³⁷ According to Sandler, it was the responsibility of the DNC fund-raisers and the finance administrator -- not the general counsel’s office -- to raise issues concerning the legality and appropriateness of contributions.⁵³⁸ The appropriateness checks used to consist of “Nexis,” or computer database, searches for contributions over a certain amount, but that practice ended once the person doing the searches left the DNC in 1994.⁵³⁹

Sandler testified that, throughout the 1996 election cycle, the DNC’s policy was not to accept any contributions from foreign nationals.⁵⁴⁰ Sandler claimed that the policy applied to both the DNC federal and non-federal accounts, meaning the DNC’s policy was not to accept hard or soft money contributions from foreign nationals.⁵⁴¹

But despite the DNC’s policies against accepting money from foreign nationals, and despite its vetting procedures, it accepted large amounts of foreign money. Indeed, by the end of February

⁵³⁴ Id.

⁵³⁵ Id. at attachment.

⁵³⁶ Sandler Depo. at 5.

⁵³⁷ Id. at 6.

⁵³⁸ Id. at 12, 13.

⁵³⁹ Id. at 15.

⁵⁴⁰ Id. at 25.

⁵⁴¹ Id. at 25.

1997, the DNC had determined to return nearly \$1.5 million in contributions as a result of its in-depth review.⁵⁴²

According to Sandler, the in-depth contribution review was initiated soon after and because the press broke the campaign finance scandal. Sandler explained:

There were many, many questions being raised in the press in October and November of 1996 about contributions that had been made [to] the DNC during 1994, 1995, and 1996. And rather than try to investigate these one at a time, we determined that it would be best if we did a systematic review of these -- of contributions made during this period to determine which -- you know, if there were, to the extent there were contributions that we accepted that should now be refunded.⁵⁴³

As noted, the review was conducted largely by Ernst & Young, which attempted to contact certain categories of corporate and individual donors to run through a questionnaire on their donations and ran “[s]earches of standard databases containing publicly available information.”⁵⁴⁴ The Committee has not seen summary data on how many contributors were actually spoken to and provided useful information, but a review of questionnaires produced by the DNC suggests that many -- including Jessica Elnitiarta, Subandi Tanuwidjaja, and Suryanti Tanuwidjaja -- were never reached.

As a result of the in-depth contribution review, the DNC decided to return at least 77 contributions.⁵⁴⁵ The DNC produced to the Committee a chart summarizing the 77 returned contributions.⁵⁴⁶ The chart consists of five columns and the fifth is entitled “Reason.” Among the reasons stated for returning contributions are, “deemed inappropriate,” “insufficient information,” “U.S. sub foreign national,” “could not confirm source -- U.S. \$,” “U.S. sub foreign national partic in decision inadvertent,” and “U.S. sub -- source did not -- U.S. \$.”⁵⁴⁷ As is evident, contributions were returned for a variety of reasons, including that the DNC simply did not having

⁵⁴² Statement of Judah Best, DNC counsel, Feb. 28, 1997. Ex. 214.

⁵⁴³ Sandler Depo. at 27-28.

⁵⁴⁴ DNC In-Depth Contribution Review, at 2. Ex. 210.

⁵⁴⁵ Id. at 1. The Committee notes that other contributions were returned by the DNC at a later date.

⁵⁴⁶ Id. The Committee notes that, although there are no page numbers on the chart, it can be found at the pages bates-stamped DNC 4298589 - DNC 4298593. Ex 210.

⁵⁴⁷ Id.

sufficient information to verify the contribution's legality and appropriateness.⁵⁴⁸ Yet, not one of the Sioeng-related contributions appears on the list.

The DNC decided to retain Jessica Elnitiarta's and the two Panda Estates' contributions even though Jessica was never spoken to and, to Sandler's knowledge, nor was anyone else at the company.⁵⁴⁹ The Committee notes, once again, that 28 witnesses with knowledge of these contributions either invoked their fifth amendment privilege against self-incrimination, fled the country, or were foreign witnesses that refused to be interviewed, rather than answer questions about the donations to the DNC.⁵⁵⁰ Based entirely on information from public databases, Sandler said he determined the following:

My conclusion was that, first of all, it was pretty clear that Elnitiarta was a legal permanent resident of the U.S., and press accounts were all consistent with that. Secondly, she appeared to own very substantial assets in the United States, a number of corporations, residential and commercial real estate, and that was consistent with making a major contribution; she had the wherewithal to make the contribution.⁵⁵¹

Later during his deposition, Sandler testified that the database information he had seen on Elnitiarta indicated "that her family has a substantial amount of money."⁵⁵² Asked to expound on this point, Sandler explained his understanding that the family was engaged in the cigarette business overseas:

Q: I'm sorry, what was the family business you are referring to?

A: It says here that her father is a principal in an Indonesian cigarette company and -- not her father, a relative is a principal of an Indonesian cigarette company and -- well, also that her family owns some of this -- basically owns some of this property with her.⁵⁵³

In short, Sandler was aware of the Sioeng family's foreign tobacco interests and was satisfied that the database and press information he saw was sufficient to support the conclusion that the

⁵⁴⁸ Id. at 1.

⁵⁴⁹ Sandler Depo. at 86-87.

⁵⁵⁰ *See* Ex. 1.

⁵⁵¹ Id. at 88.

⁵⁵² Id. at 101.

⁵⁵³ Id. at 102.

family's contributions should be retained.⁵⁵⁴

Prior to his deposition, Sandler had never seen records of the bank accounts from which the Elnitiarta and Panda Estates contributions were made.⁵⁵⁵ Confronted with records that showed Elnitiarta's contribution was made with foreign money,⁵⁵⁶ Sandler became incensed, insisting that the "information tells us virtually nothing that we would need to know to determine whether the contribution was an illegal contribution in the name of another," and that the foreign money may have been Elnitiarta's.⁵⁵⁷ Sandler explained:

The Thompson committee, in its characteristically disingenuous and dishonest and distorted fashion, would say [Elnitiarta's contribution] is [a] foreign source contribution, thereby implying that it is illegal. Absolutely false. Nothing illegal whatsoever about that contribution if it is my money and I am entitled to it. The fact that I earned it abroad, I pay taxes on my worldwide -- as a U.S. Citizen, I pay taxes on my worldwide income. It's my money. Nothing wrong at all with that contribution.

And that's the logical shuffle, distortion, and twisting, and as I say, unfortunately in my experience, characteristic of the entire Thompson committee report, that leads me to the conclusion that this information is virtually meaningless with respect to whether the DNC should now conclude that these contributions were unlawful or inappropriate.⁵⁵⁸

⁵⁵⁴ Id. at 89.

Q: So in the case of these three contributions, I take it you were satisfied with the information provided to you; you were satisfied that information was sufficient to make your decision as to whether to retain or return the contributions?

A: Yes.

⁵⁵⁵ Id. at 103.

⁵⁵⁶ Committee staff showed Sandler bank records that had been made exhibits to the Senate Campaign Finance Report. Curiously, although the report had been made ordered printed on March 10, 1998, and was widely reported on in the press, neither Sandler nor DNC counsel was aware that it was publicly available. *See* Sandler Depo. at 114.

⁵⁵⁷ Sandler Depo. at 121-122.

⁵⁵⁸ Id. at 122. Shortly after making this statement, Sandler admitted that the bank account he had been shown was, in fact, relevant to a determination of whether to return or retain Elnitiarta's contribution. Id. at 123.

Sandler and the DNC appear to attach no significance to the fact that Jessica Elnitiarta and her entire family refuse to communicate on the subject of whether their contributions were legal. While this remains troubling to the Committee, it apparently does not to the DNC. Furthermore, it should be noted that in a meeting with Committee majority staff and the Justice Department regarding immunity, DOJ opposed granting immunity to Jessica Elnitiarta because they believed she is a key figure under review by the Campaign Finance Task Force.

When the DNC was shown that a large portion of the contribution made by Panda Estates came from foreign funds, Sandler put forward the confusing contention that, even if one could trace a corporation's political contribution to a foreign source, the contribution would still be legal if the company had sufficient income over some longer period, say a year, to fund the contribution.⁵⁵⁹ This argument fails for at least two reasons.

First, it is incoherent. If the funds *actually used* to make a political contribution can be traced, through bank records, to a foreign source, then why would it matter, from a legal standpoint, that the company generated domestic income in the next month or the next week, even.

Second, the argument is contradicted by FEC practice and precedent. In Advisory Opinion 1992-16, the FEC was asked to consider the legality of political contributions a U.S. subsidiary of a foreign company sought to make. The Commission opined that “the subsidiary must be able to demonstrate through a reasonable accounting method that it has sufficient funds in its account, other than funds given or loaned by its foreign national parent, from which the contribution is made.” *The point is, to test the legality of a contribution, one must look at its source at the time the contribution was made, and not at income the corporation might generate over some longer period of time.*⁵⁶⁰

The \$100,000 contribution made by Panda Estates to the DNC was funded mostly by foreign money. No explanation yet offered by the DNC sways the Committee from its conclusion that this contribution is illegal and should be returned by the DNC.

VIII. REPUBLICAN CONTRIBUTIONS

A. Contributions to Matthew K. Fong

1. Summary

Matthew K. Fong, then a candidate for California State Treasurer, accepted a \$2,000 contribution

⁵⁵⁹ Id. at 162.

⁵⁶⁰ See also In re West Beach Estates, FEC MUR 2892 (1994) (Holding that contributions violated 2 U.S.C. § 441e(b) because ultimate source of funds was loans from a Japanese corporation). Ex. 215.

from Jessica Elnitarta during his 1994 campaign. The Committee found no evidence of foreign funding of this contribution by Elnitarta, a U.S. permanent resident.

A year later, in an effort to reduce outstanding campaign debt, Fong personally solicited contributions from Sioeng and businesses controlled by the Sioeng family. Subsequent to those solicitations, Ted Sioeng, a foreign national, made contributions totaling \$50,000 from his personal bank account to Fong's campaign. Panda Estates Investment, Inc., a company controlled by Sioeng through his daughter, Jessica Elnitarta, donated an additional \$50,000.

The Committee has determined that all of the 1995 contributions totaling \$100,000 were improper and/or illegal because (1) Sioeng is a foreign national and, thus, arguably ineligible to contribute under federal election laws; and (2) the source of the funds were Sioeng's overseas businesses. Fong returned all of these contributions in April 1997, immediately after questions arose about their propriety in news accounts.

The Committee has uncovered no evidence suggesting that Fong knew the contributions were improper, or that he knowingly solicited improper and/or illegal contributions. The Committee also notes that Fong informed Sioeng of the appropriate state laws governing campaign contributions, and that Fong fully cooperated with this and other investigations of improper and/or illegal campaign contributions. Of course, Ted Sioeng and his family have refused to cooperate with the investigation, so we do not have their accounts of these events.

2. Findings

Fong testified that he first met Mr. Sioeng "around 1988,"⁵⁶¹ after "being introduced to him by Julia Wu at a Republican rally in Monterey Park."⁵⁶² Fong testified that his only knowledge of Sioeng at the time of the Republican rally in Monterey Park was that he came from "a very prominent family in the [Asian-American] community,"⁵⁶³ and that they "were major donors to a lot of the charities."⁵⁶⁴ Fong said that subsequent to meeting Ted Sioeng, he "developed a friendship [with Sioeng] that was based upon our seeing each other at community events, but nothing more than that."⁵⁶⁵

⁵⁶¹ Deposition of Matthew K. Fong, Vol. I, Mar. 2, 1998 at 15. [Hereinafter, "House Fong Dep., Vol. I"]

⁵⁶² Id.

⁵⁶³ House Fong Depo., Vol. I, at 16.

⁵⁶⁴ Id.

⁵⁶⁵ Id. The Committee notes that Mr. Fong was invited to the 1993 wedding of Jessica Elnitarta, and attended and spoke at the 1995 wedding of Sandra Elnitarta (see: Deposition of Glenville Anthony Stuart, Feb. 18, 1998 at 94; Interview of Julia Wu, Mar. 12, 1998).

Fong stated that, during the time that he was developing a relationship with the Sioeng family, he also “was trying to persuade them to get more involved politically and support Asian-Americans.”⁵⁶⁶ Sioeng told Fong that since his children were raising their families in the United States, he wanted them to become politically active, and “would like them to be the ones to participate politically.”⁵⁶⁷

Shortly after that conversation, Jessica Elnitiarta contributed \$2,000 to Fong’s successful 1994 campaign for State Treasurer.⁵⁶⁸ Fong said he believed the contribution was the result of a \$1,000-per-ticket event at the Biltmore Hotel in Los Angeles.⁵⁶⁹ He further stated that Elnitiarta may have bought a ticket and decided to contribute an additional \$1,000.⁵⁷⁰ The Committee found no evidence of foreign funding of this contribution by Elnitiarta, a U.S. permanent resident.

Following his election as California State Treasurer, Fong’s campaign committee had a deficit of “at least a few hundred thousand dollars.”⁵⁷¹ In an effort to defray that debt, Alex Spanos, the owner of the San Diego Chargers football team, contributed \$100,000 to Fong’s campaign committee.⁵⁷² Fong used that donation as a “challenge to the Chinese-American community to match it [the amount].”⁵⁷³ As part of that challenge, “Ted [Sioeng] and his family were asked for support in retiring our debts.”⁵⁷⁴ Fong acknowledged personally soliciting Sioeng for contributions from himself, his family and business associates.⁵⁷⁵

Fong testified that at the time he initially solicited Sioeng, he informed Sioeng of the pertinent California state laws regarding political donations. Fong said he specifically told Sioeng “that

⁵⁶⁶ House Fong Depo., Vol. I, at 28.

⁵⁶⁷ Id.

⁵⁶⁸ Deposition of Matthew K. Fong conducted by United States Senate Committee on Governmental Affairs, Special Investigation, Sept. 19, 1997 at 14. [hereinafter “Senate Fong Depo.”] *Also see* check #417 from Jessica Elnitiarta to Matt Fong for State Treasurer in the amount of \$2,000, Sep. 28, 1994. Ex. 216.

⁵⁶⁹ Id. at 15.

⁵⁷⁰ Id.

⁵⁷¹ House Fong Depo. Vol. I., at 21.

⁵⁷² Senate Fong Depo. at 29-31.

⁵⁷³ Id.

⁵⁷⁴ House Fong Depo. Vol. I, at 22.

⁵⁷⁵ Id. at 24.

there is no [contribution] limitation in a state campaign,”⁵⁷⁶ and that corporate donations are legal.⁵⁷⁷ Fong also stated that, “It was also raised at one point that Mr. Sioeng’s partners or the family’s partners would also like to support me.”⁵⁷⁸ In response, Fong told Sioeng that, “Overseas contributions are not acceptable. It has to be [from] a U.S. citizen or green card holder.”⁵⁷⁹ The Committee has uncovered no information disputing Fong’s testimony concerning what he told Sioeng of the appropriate legal restrictions on political donations.⁵⁸⁰

Some time in late 1994 or early 1995, Fong told Ted Sioeng of Spanos’s challenge in order to encourage Sioeng to contribute.⁵⁸¹ Sioeng responded, “Well, I would certainly like to be of help in trying [to help] you to match that.”⁵⁸² Although Fong did not take Sioeng’s words as a commitment of a specific amount of money,⁵⁸³ he, or his fundraiser, Steven Kinney, followed up with a phone call to Sioeng asking for a contribution.⁵⁸⁴ On or about April 20, 1995, Fong “dropped by” to see Sioeng at his office in the Hollywood Metropolitan Hotel.⁵⁸⁵

⁵⁷⁶ House Fong Depo. Vol. I, at 34. *See also* Id. at 30-32, 53-55, 61-63; Senate Fong Depo. at 34-40.

The Committee notes Mr. Fong repeatedly stated that his conversations with Mr. Sioeng about California state campaign finance statutes occurred in English without an interpreter present. Numerous other witnesses, including Ms. Elnitiarta, testified that Mr. Sioeng had a limited grasp of conversational English. *See*: Interview with Jessica Elnitiarta conducted by United States Senate Committee on Governmental Affairs, Special Investigation; Interview with Julia Wu, March 12, 1998; Interview with Norman Hsu, March 13, 1998; Deposition of Stephen M. Kinney conducted by United States Senate Committee on Governmental Affairs, Special Investigation, Sept. 23, 1997 at 26. It is unknown whether Sioeng could understand, in English, the basic rules concerning foreign nationals making California state campaign contributions.

⁵⁷⁷ House Fong Depo., Vol. I, at 34.

⁵⁷⁸ Id.

⁵⁷⁹ Id.

⁵⁸⁰ The Committee notes that Mr. Sioeng, the only other witness to the conversation, fled the United States and has refused Committee requests to be interviewed or deposed.

⁵⁸¹ Senate Fong Dep. at 29-30.

⁵⁸² Id. at 30.

⁵⁸³ Id.

⁵⁸⁴ Id. at 33.

⁵⁸⁵ House Fong Depo., Vol. I, at 28.

When Fong arrived, a check in the amount of \$20,000⁵⁸⁶ was “already made out,”⁵⁸⁷ meaning that the “payee [line] was the only thing that was blank. Everything else, the date, the amounts, signatures”⁵⁸⁸ were filled out. Fong testified that an unknown person who worked for Sioeng asked him to fill the check out, but that he had a “policy” not to write anything on a check, so as to avoid being accused of converting campaign funds for personal use.⁵⁸⁹ As a result, Fong testified that the unknown staffer wrote the formal name of his campaign committee in the “Pay to the order of” line.⁵⁹⁰

Eight days later, on April 28, 1995, Sioeng wrote a second check in the amount of \$30,000 to Fong’s campaign.⁵⁹¹ Fong does not know whether Sioeng gave him both checks at the same time⁵⁹²

The contributions were drafted on a personal checking account held by Sioeng in his Chinese name, Sioeng San Wong. Records turned over to the Committee by Fong’s campaign show handwritten notations indicating that the checks were credited to: “Dr. Ted Sioeng...business owner, Pacific Inn, 2717 Sunset Blvd., L.A., 90026.”⁵⁹³ Fong testified that his wife, Paula Fong, appears to have written down the tracking information.⁵⁹⁴ Campaign finance forms filed by Fong’s campaign with the California Secretary of State show that both contributions were credited to Ted Sioeng.⁵⁹⁵

⁵⁸⁶ Check # 671 from Sioeng San Wong to Matt Fong for State Treasurer in the amount of \$20,000, Apr. 20, 1995. Ex. 217. [hereinafter Sioeng Check 1]

⁵⁸⁷ House Fong Depo., Vol. I, at 32.

⁵⁸⁸ Id.

⁵⁸⁹ Id. at 34.

⁵⁹⁰ Id. at 33.

⁵⁹¹ Check # 672 from Sioeng San Wong to Matt Fong for State Treasurer in the amount of \$30,000, Apr. 28, 1995. [hereinafter Sioeng Check 2] Ex. 218.

⁵⁹² House Fong Depo., Vol. I, at 35. (“Mr. Sioeng handed me an envelope and the envelope was sealed, and I took it to my office. Whether that envelope had one check or two, I couldn’t tell you. But I know that I didn’t have to go back and pick up a second check.”)

⁵⁹³ Sioeng Check 1; Sioeng Check 2.

⁵⁹⁴ House Fong Depo., Vol. I, at 36.

⁵⁹⁵ Independent Expenditure Committee and Major Donor Committee Campaign Statement filed by Matt Fong for State Treasurer, Jan. 1, 1995 to June 30, 1995. Ex. 219.

Fong told the Committee that he “assumed it [the donation] was from his family,”⁵⁹⁶ explaining that Sioeng “said earlier he wanted his family to support me, that his daughters, were supporting me, so I just made the assumption it was from his family.”⁵⁹⁷ In addition, Fong stated that he had “no personal knowledge that this Sioeng San Wong is in fact Ted Sioeng,”⁵⁹⁸ rather, he thought Sioeng San Wong was Sioeng’s “son or daughter” or some other relative.⁵⁹⁹ In any event, the point was a moot one to Fong: “[A]s far as I was concerned, I had no reason not to accept [the check] even if it [had] said Ted Sioeng.”⁶⁰⁰

The third and final contribution from the Sioeng family was made on December 14, 1995, when Panda Estates Investment, Inc. made a \$50,000 donation to Matt Fong for State Treasurer.⁶⁰¹ This last contribution was not related to debt left over from the 1994 campaign; rather, it was a result of “ongoing fund-raising” Fong did as “a sitting State Treasurer.”⁶⁰²

3. Sources of Contributions

The Committee has determined that all three contributions were ultimately funded by wire transfers from Sioeng’s overseas businesses:

- At the time Sioeng wrote the \$20,000 check on April 20, 1995, his bank account contained only \$1,613.⁶⁰³ Six days after the contribution was made, Jessica Elnitiarta transferred \$30,000 from the family’s loan account into Sioeng’s personal checking account.⁶⁰⁴ The bulk of that loan was repaid by Jessica Elnitiarta through a November 3,

⁵⁹⁶ House Fong Depo., Vol. I, at 61. *See also* House Fong Depo. Vol. II, at 46 (“This is a family contribution. Sioeng San Wong is a family contribution as far as I’m concerned.”).

⁵⁹⁷ House Fong Dep., Vol. I, at 61.

⁵⁹⁸ *Id.* at 28.

⁵⁹⁹ *Id.* at 29.

⁶⁰⁰ House Fong Depo., Vol. I. at 29.

⁶⁰¹ Independent Expenditure Committee and Major Donor Committee Campaign Statement filed by Matt Fong for State Treasurer, Jan. 1, 1995 through Dec. 31, 1995. Ex. 220.

⁶⁰² House Fong Depo., Vol. II, at 102-103.

⁶⁰³ Grand National Bank statement, Sioeng San Wong, Apr. 1-28, 1995. Ex. 221.

⁶⁰⁴ Telephone transfer request from Laureen & Sandra Elnitiarta TCD Loan to Sioeng San Wong in the amount of \$30,000, Apr. 26, 1995. Ex. 222.

1996 wire transfer of \$928,432 from Pristine Investments,⁶⁰⁵ a Hong Kong company firm that appears to be owned or controlled by Sioeng.⁶⁰⁶

- The second check, dated April 28, 1995, was made against a balance of \$39,635.⁶⁰⁷ This balance consisted mainly of a \$30,000 check from Glenville Stuart which Sioeng deposited on the same day he made the Fong donation.⁶⁰⁸ Stuart funded his check from a \$55,000 wire transfer which he received on April 27, 1996 from Pristine Investments.⁶⁰⁹ Stuart testified that Pristine Investments is “associated with Ted Sioeng.”⁶¹⁰
- The Panda Estates Investment company bank account contained only \$7,096 at the time the \$50,000 check to Fong’s campaign was written.⁶¹¹ The check cleared the bank four days later, causing a \$43,889 account overdraft.⁶¹² The next day, Jessica Elnitiarta covered the overdraft by transferring \$50,000 from an account held by Yanti Ardi, Sioeng’s sister.⁶¹³ This transfer was funded by a wire transfer of \$150,000 from Pristine Investments in Hong Kong to Ardi account eight days later.⁶¹⁴

In its April 28, 1997 issue, Newsweek Magazine published an article on the Sioeng family

⁶⁰⁵ Wire transfer from Pristine Investments to Yanti Ardi in the amount of \$928,432.17, Nov. 3, 1995; Telephone transfer from Yanti Ardi to Sioeng San Wong in the amount of \$992,000, Nov. 3, 1995; Telephone transfer from Sioeng San Wong to Laureen & Sandra Elnitiarta TCD Loan in the amount of \$991,967, Nov. 3, 1995. Ex. 223.

⁶⁰⁶ See “Sioeng’s Foreign Businesses Interests.”

⁶⁰⁷ See Ex. 221.

⁶⁰⁸ Check #224 from Glenville A. Stuart to Sioeng San Wong in the amount of \$30,000, Apr. 28, 1996. Ex. 224.

⁶⁰⁹ Wire transfer from Pristine Investment to Glenville Stuart in the amount of \$55,000, Apr. 27, 1995. Ex. 225.

⁶¹⁰ Stuart Depo. at 65.

⁶¹¹ Grand National Bank statement, Panda Estates Investment, Inc., Dec. 1-29, 1995. Ex. 226.

⁶¹² Id.

⁶¹³ Wire transfer from Yanti Ardi to Panda Estates in the amount of \$50,000, Dec. 19, 1995. Ex. 227.

⁶¹⁴ Wire transfer from Pristine Investments to Yanti Ardi in the amount of \$150,000, Dec. 11, 1995. Ex. 228.

contributions to Mr. Fong's campaign.⁶¹⁵ The day after that issued appeared on newsstands, Fong's campaign treasurer wrote a letter to Sioeng asking for verification that (1) the donations came from Sioeng's personal funds, and (2) whether Sioeng was a United States citizen or legal resident.⁶¹⁶ The letter went on to state that failure to respond within 24 hours would result in the campaign returning the donations.⁶¹⁷ A virtually identical letter was sent the same day to Sioeng and Jessica Elnitiarta at the Panda Estates Investment office.⁶¹⁸ When neither Sioeng nor Elnitiarta provided a timely response, Fong's campaign committee returned all three donations.⁶¹⁹

More than one month after the contributions were returned, Jessica Elnitiarta's attorney sent a letter to Fong's campaign protesting the campaign's decision. Counsel contended that Jessica Elnitiarta was traveling and, thus, unable to respond in a timely fashion.⁶²⁰ In addition, counsel stated that Jessica Elnitiarta "has resided in California for more than ten years, and has been a permanent resident of the United States for more than five years."⁶²¹

The Committee notes that Jessica Elnitiarta's attorneys have refused to comply with subpoenas, have refused to produce Elnitiarta for interviews, and have not produced promised information.

5. Conclusions

The Committee concludes that all three donations made by Sioeng and Panda Estates were funded with money transferred from overseas. However, the Committee finds no evidence that Fong

⁶¹⁵ Daniel Klaidman and Mark Hosenball, Connecting the Dots: The Feds explore a China-California Money Trail, Newsweek, April 28, 1997 at 40.

⁶¹⁶ Letter from William R. Turner, Treasurer of "Matt Fong for State Treasurer," to Ted Sioeng/San Wong Sioeng, Apr. 21, 1997. [hereinafter Turner Letter 1] Ex. 229.

⁶¹⁷ Id.

⁶¹⁸ Letter from William R. Turner to Ted Sioeng, Panda Estates Investment, Inc., Apr. 21, 1997. [hereinafter Turner Letter 2] Ex. 230. The Committee notes that both letters stated that Mr. Fong's campaign "will cooperate fully with any federal or state investigation," and was "prepared to turn over all records concerning these contributions to the United States Justice Department for their on-going investigation."

⁶¹⁹ Turner Letter 1, Turner Letter 2. Check #1371 from Matt Fong for State Treasurer to San Wong Sioeng in the amount of \$50,000, Apr. 22, 1997; Check #1372 from Matt Fong for State Treasurer to Panda Estates Investment in the amount of \$50,000, Apr. 22, 1997. Ex. 231.

⁶²⁰ Letter from Mark J. MacDougall and Steven R. Ross, counsel for Ms. Elnitiarta, to William R. Turner, Treasurer, Matt Fong for State Treasurer, May 27, 1997. Ex.232.

⁶²¹ Id.

knew the source of the contributions. In fact, Fong testified that he notified Sioeng of the relevant sections of appropriate state law, and his campaign promptly returned the contributions after questions arose about them.

B. Contribution to the National Policy Forum

1. Summary

On July 18, 1995, in between contributions to Matt Fong, the Sioeng family contributed \$50,000, through its company, Panda Industries, Inc., to the National Policy Forum (“NPF”). Established in 1993 by then-Republican National Committee Chairman Haley Barbour, the NPF was a think tank designed “to develop a national Republican policy agenda.”⁶²² During the time that Panda Industries made its contribution, the NPF operated as a non-profit corporation under Section 501(c)(4) of the Internal Revenue Code.⁶²³ As such, the NPF could legally accept donations from corporations and foreign nationals.⁶²⁴ The story of Sioeng’s contribution to the NPF overlaps with the story of his contributions to Fong.

2. Findings

On April 28, 1995, as previously noted in this section, Sioeng donated \$30,000 to “Matt Fong for State Treasurer.” At the time the donation was made, Fong testified that he and Speaker Gingrich:

...worked together on the National Strategies Group, which is his group, and he and I would regularly meet, and he extended the invitation to me to stop by when I was in town, and if I had anybody with me to bring them with me.⁶²⁵

As a result of that open-ended invitation, Fong had planned to meet with the Speaker at his Capitol Office in July 1995.⁶²⁶ The details of that meeting were arranged by Steven M. Kinney, Fong’s campaign consultant who also served as an advance person and fundraiser for the

⁶²² Investigation on Illegal or Improper Activities in Connection with the 1996 Federal Election Campaign --Part II: Hearings before the Committee on Governmental Affairs United States Senate, 105th Cong., 1st Sess. 176 (1997).

⁶²³ Id. at 215.

⁶²⁴ Id.

⁶²⁵ House Fong Depo., Vol. I, at 67.

⁶²⁶ Id. at 66.

Speaker.⁶²⁷

Fong invited Sioeng to attend the meeting because he “thought this would be a nice opportunity to show my appreciation for the Sioeng family’s [financial] support.”⁶²⁸ In fact, Fong stated that, had Sioeng rejected the invitation, he would have extended the invitation to another donor.⁶²⁹

The meeting with the Speaker, held during the second week in July 1995, also was attended by Sioeng’s son-in-law, Didi Kurniawan.⁶³⁰ The entire encounter lasted approximately 15 minutes, during which Sioeng and the Speaker exchanged what Fong called “ordinary” pleasantries.⁶³¹ According to Fong, fundraising was not discussed during the meeting.⁶³²

In the weeks following the meeting with Fong and Sioeng, the Speaker was planning a series of fundraisers in California.⁶³³ Due to that planned fundraising trip, Joseph R. Gaylord, “a political liaison to the Speaker,”⁶³⁴ approached Kinney and asked him to “raise some money”⁶³⁵ for the National Policy Forum.⁶³⁶

Following his conversation with Gaylord, Kinney asked Fong for “permission [as to] whether he

⁶²⁷ *Id* at 71. *See also* Deposition of Stephen M. Kinney before the United States Senate Committee on Governmental Affairs, Special Investigation, Sept. 23, 1997, at 7.

⁶²⁸ House Fong Depo., Vol. I., at 66.

⁶²⁹ *Id*

⁶³⁰ *Id* at 73 et seq. *See also* Deposition of Haddi Kurniawan, Apr. 14, 1998, at 64, 66.

⁶³¹ House Fong Depo., Vol. I, at 73. Also, the Senate minority report noted that: “As described by Fong, the resulting meeting in Representative Gingrich’s office on July 12 was brief and inconsequential.” P. 5579.

⁶³² House Fong Depo., Vol. I, at 72-74.

⁶³³ *Id* at 75.

⁶³⁴ Senate Fong Depo. at 56.

⁶³⁵ Deposition of Steven M. Kinney before the Senate Governmental Affairs Committee, Special Investigation, Sept. 23, 1997, at 10. *See also* Deposition of Joseph R. Gaylord before the Senate Governmental Affairs Committee, Special Investigation, Sept. 16, 1997, at 36.

⁶³⁶ *Id*

could approach our donors to invite them to any of the Gingrich events.”⁶³⁷ Fong told the Committee that his discussion with Kinney involved possible solicitations of “all my donors.”⁶³⁸ He also testified that Kinney specifically “asked me whether the Sioeng family would be interested in supporting any of the Speaker’s activities.”⁶³⁹ Whatever the case, Fong granted Kinney permission to seek contributions from his donors for organizations supported by the Speaker.⁶⁴⁰

Kinney subsequently solicited a contribution from Jessica Elnitarta,⁶⁴¹ telling her the NPF “was a foundation that Mr. Gingrich was supportive of and we’d like to have a contribution.”⁶⁴² Following that conversation, Fong was contacted by members of the Sioeng family,⁶⁴³ who stated that they had been approached by Kinney “to help Speaker Gingrich,”⁶⁴⁴ and asked Fong his opinion of Kinney’s solicitation.⁶⁴⁵

Fong told them, “Speaker Gingrich is my friend. That’s a good idea.”⁶⁴⁶ In his testimony before the Committee, Fong emphasized that he did not know for what organization the solicitation was made, as Fong was aware that Speaker Gingrich raises money for several different organizations.⁶⁴⁷

On July 18, 1995, Panda Industries wrote a \$50,000 check to the National Policy Forum, against

⁶³⁷ House Fong Depo., Vol. I, at 75.

⁶³⁸ Id

⁶³⁹ Senate Fong Depo. at 50.

⁶⁴⁰ House Fong Depo., Vol. I, at 75.

⁶⁴¹ Deposition of Steven M. Kinney before the Senate Governmental Affairs Committee, Special Investigation, Sept. 23, 1997, at 12.

⁶⁴² Id at 20.

⁶⁴³ Mr. Fong could not recall whether he spoke with Ms. Elnitarta or Mr. Sioeng. *See Id.* at 77.

⁶⁴⁴ Id at 77.

⁶⁴⁵ Id

⁶⁴⁶ Id

⁶⁴⁷ Id

a bank balance of \$46, 402.⁶⁴⁸ Kinney stated that he “didn’t solicit Panda [Industries],” but instead, “solicited a donation directly from Jessica Elnitiarta.”⁶⁴⁹

Information developed by the Committee indicates that the Panda Industries contribution came from domestic funds. The investigation specifically reveals that the contribution was funded by a \$50,000 check Sioeng had written to Panda Industries a day before the company contributed to the NPF.⁶⁵⁰

Sioeng’s check, in turn, was funded by a \$70,000 check written on July 17, 1995 by Vinh B. La, a Canadian national and associate of Kent La.⁶⁵¹ The \$70,000 check was partially funded by a July 14, 1995 withdrawal of \$50,000 by Kent La from a Loh Sun International, Inc. business savings account,⁶⁵² which was opened on January 4, 1995 with a \$200,000 transfer from Loh Sun’s business checking account.⁶⁵³ Hence, the NPF contribution appears to have been funded with domestic business receipts from Loh Sun International. The Senate Minority report traced the NPF funding only back to the \$50,000 check from Ted Sioeng.⁶⁵⁴

The NPF counsel has made a similar representation: “There is no evidence anywhere that we are aware of which establishes that the funds used in connection with the Panda Industries, Inc./NPF contribution were foreign funds.”⁶⁵⁵

Fong’s wife, Paula, played a role in the Panda Industries contribution to the NPF. Matt Fong

⁶⁴⁸ Check # 1060 from Panda Industries to the National Policy Forum in the amount of \$50,000, Jul. 18, 1995. Grand National Bank statement for Panda Industries, Jul. 1995. Ex.233.

⁶⁴⁹ Deposition of Steven M. Kinney before the U.S. Senate Governmental Affairs Committee, Special Investigation, Sept. 23, 1997, at 12.

⁶⁵⁰ Check # 590 from Sioeng San Wong to Panda Industries in the amount of \$50,000, Jul. 17, 1995. Ex. 234.

⁶⁵¹ Check # 239 from Vinh B. La to Cash in the amount of \$70,000, Jul. 17, 1995. Ex. 235.

⁶⁵² Savings withdrawal from Loh Sun International in the amount of \$50,000, Jul. 14, 1995; Deposit slip from La Vinh Binh in the amount of \$50,000, July 14, 1995. Ex. 236.

⁶⁵³ Counter check to Loh Sun International in the amount of \$200,000, Jan. 4, 1995. Ex. 237.

⁶⁵⁴ Ex. 234. *See also* Senate Campaign Finance Report at 5580.

⁶⁵⁵ Letter from Thomas E. Wilson, NPF counsel, to Michael D. Bopp, Senior Investigative Counsel, House Government Reform and Oversight Committee, Jun. 17, 1998, Ex. 238.

testified that during 1995, Kinney “hired her [Paula Fong] to help raise money for [the] Speaker.”⁶⁵⁶ On July 28, 1995, Paula Fong submitted an invoice requesting \$6,500 in fundraising commissions⁶⁵⁷ to Joseph Gaylord at office space he rented from the Republican National Committee.⁶⁵⁸ The commissions purported to be related to “Speaker New Gingrich’s California visit on July 20, 1995 to July 23, 1995.”⁶⁵⁹ The invoice also included a request for compensation for the Panda Industries contribution to the NPF.⁶⁶⁰

Gaylord forwarded the invoice from Paula Fong to Stephen Walker, the NPF comptroller, who was puzzled upon receiving the bill.⁶⁶¹ Walker specifically said that he “asked... why did this woman send us a bill and who is she?”⁶⁶² While Walker cannot recall to whom he spoke, he testified that, after performing appropriate “due diligence,”⁶⁶³ he was “satisfied as to the point [that Paula Fong was entitled to compensation from the NPF],”⁶⁶⁴ and paid the bill.⁶⁶⁵

Walker acknowledged that it was “out of the ordinary”⁶⁶⁶ for Gaylord to receive invoices for commissions from NPF fundraisers. Walker said that he could not recall any other instance where Gaylord forwarded another person’s invoice to the NPF.⁶⁶⁷ He also stated that he could not recall receiving bills from other fundraisers and not having been aware that they had solicited money for

⁶⁵⁶ House Fong Depo., Vol. I, at 89.

⁶⁵⁷ Invoice submitted by Paula Fong to Joseph Gaylord, Jul. 28, 1995. [hereinafter Fong invoice] Ex. 239.

⁶⁵⁸ House Fong Depo., Vol. I, at 89; Deposition of Joseph Robert Gaylord before the Senate Governmental Affairs Committee, Special Investigation, Sept. 16, 1997, at 9.

⁶⁵⁹ See Ex. 239.

⁶⁶⁰ Deposition of Steven S. Walker, Jr., Jul. 1, 1998 at 36.

⁶⁶¹ Id

⁶⁶² Id

⁶⁶³ Id

⁶⁶⁴ Id

⁶⁶⁵ Id

⁶⁶⁶ Id at 78.

⁶⁶⁷ Id

the NPF.⁶⁶⁸

Fong testified that the first time he knew that his wife was paid for the Panda Industries contribution to the NPF was in March 1996, while preparing to file his state financial disclosure forms.⁶⁶⁹ Matt Fong stated that he has no personal knowledge of the \$50,000 contribution from Panda Industries.⁶⁷⁰ He testified as follows to his understanding of his wife's fundraising and the payment to her from the NPF:

My wife was retained by Steve Kinney to raise money for the Speaker. My wife is a CPA. She for two years helped me raise money for my treasurer's campaign. She raised over a million dollars by herself, and Steve Kinney hired her to help raise money for the Speaker. In March of the following year, we reported [on our state financial disclosure forms] that my wife was paid from the National Policy Forum, the National Republican Congressional Committee, Friends of Newt Gingrich and the Monday Morning PAC. She received a total of \$11,000 for her effort.

It was always my understanding that she was getting compensated by Steve Kinney for raising money for Speaker Gingrich for many of [her] fundraising activities; and for me, whether it was the National Policy Forum or the Friends of Newt Gingrich, it was all, to me, under the same umbrella.⁶⁷¹

In July 1995, the Speaker sponsored a reception for Asian-American leaders at the Peninsula Beverly Hills Hotel.⁶⁷² Prior to the event, Kinney asked Matt Fong for the names of some community, business and elected leaders who should be invited.⁶⁷³ Among the names supplied by Fong were that of Sioeng and his family.⁶⁷⁴

Sioeng attended the reception and, along with four to five other guests, met with the Speaker for

⁶⁶⁸ Id. at 37.

⁶⁶⁹ House Fong Depo. Vol. I, at 87.

⁶⁷⁰ Id. at 89.

⁶⁷¹ Id.

⁶⁷² House Fong Depo., Vol. I, at 81; Senate Fong Depo. at 50-53; Deposition of Joseph R. Gaylord before the Senate Governmental Affairs Committee, Special Investigation, Sept. 16, 1997, at 33-35.

⁶⁷³ Senate Fong Depo. at 51.

⁶⁷⁴ Id.

approximately 15 minutes.⁶⁷⁵ Simon Chen, who sold the International Daily News to Ted Sioeng and acted as an interpreter during the meeting between the Speaker and Sioeng, stated that the two talked generally about the relationship between the United States and the PRC.⁶⁷⁶ A photograph of the Speaker with Sioeng and Chen appeared in the July 21, 1995 issue of the International Daily News.⁶⁷⁷

In December 1995, Jessica Elnitiarta approached Fong and asked him to secure a congratulatory letter from the Speaker in connection with a badminton tournament sponsored by one of Sioeng's businesses.⁶⁷⁸ Fong secured the requested letter.⁶⁷⁹ Fong said that he also helped Jessica Elnitiarta obtain a congratulatory letter from California Governor Wilson, from whom a letter appears in a brochure promoting the tournament.⁶⁸⁰ A congratulatory letter from Fong is also published in the brochure.⁶⁸¹

3. Conclusions

Based on the information developed during the course of its investigation, the Committee concludes that there is no evidence of improper or illegal activities on behalf of Fong, or anyone else, regarding the Panda Industries contribution to the NPF.

The Committee also concludes there is no evidence that the source of the monies used for Panda Industries' contribution to the NPF was from foreign funds. The Committee notes that, in any event, as a 501(c)(4) corporation, the NPF could legally accept foreign donations.

C. Contribution to Daniel Wong

1. Summary

⁶⁷⁵ Chen Interview.

⁶⁷⁶ Id

⁶⁷⁷ Photograph in the International Daily News, Jul. 21, 1995. Ex. 240.

⁶⁷⁸ Senate Fong Depo. at 62-65.

⁶⁷⁹ Id. at 106. Letter from Speaker Gingrich to Hong Ta Shan International Badminton Championship Cup Participants and Supporters. Ex. 241.

⁶⁸⁰ Id. at 106. Letter from Governor Wilson to Hongtashan International Badminton Championship Cup Participants, Dec. 18, 1995. Ex. 242.

⁶⁸¹ Letter from Matt Fong, California State Treasurer, to Ted Sioeng, Hong Ta Shan Cup, December 18, 1995. Ex. 243.

Dr. Daniel Wong, a Republican who was elected to local offices in Cerritos, California, met Ted Sioeng when they were both attending a 1992 banquet in the People's Republic of China. At the time, Sioeng, who had little knowledge of United States politics, offered to help finance future political campaigns undertaken by Wong.

Following that conversation, Wong unsuccessfully solicited Sioeng for campaign contributions. In 1996, Sioeng finally agreed to contribute \$10,000 to one of Wong's political races. That contribution came in the form of two \$5,000 checks from female employees of a Sioeng-affiliated travel agency. Both checks were post-dated, and Wong was instructed to deposit them on specific dates.

The checks were never deposited, primarily because Wong knew that Sioeng received most of his money from overseas in the form of wire transfers. As a result of that knowledge, Wong called the bank to determine whether there were sufficient funds to cover the checks.

When informed that there was not enough money to pay the checks, Wong telephoned Sioeng, who provided a single \$5,000 replacement check. That check, ostensibly from Jessica Elnitiarta, was drawn on an account held by Sioeng's wife and other two daughters over which Jessica Elnitiarta held power of attorney.

The Committee concludes that Sioeng's contribution to Wong was improper because the source of the funds was wire transfers from an overseas corporation controlled by Sioeng.

2. Findings

Daniel K. Wong is an obstetrician and gynecologist.⁶⁸² Born in Hong Kong,⁶⁸³ Wong also sings and acts as a self-styled goodwill ambassador between the people of the United States and the People's Republic of China ("PRC").⁶⁸⁴ Due to his singing career and his unofficial activities, Wong is a "celebrity in China,"⁶⁸⁵ has traveled extensively in the PRC and has had repeated meetings with senior communist party officials.⁶⁸⁶

In addition to the activities listed above, Wong also has served as a Republican elected official. In

⁶⁸² Deposition of Daniel K. Wong, March 12, 1998, at 21. [hereinafter Wong Depo]

⁶⁸³ Id.

⁶⁸⁴ Id. at 23.

⁶⁸⁵ Id.

⁶⁸⁶ Id. at 24.

1978, Dr. Wong was elected to the Cerritos, California, City Council.⁶⁸⁷ He subsequently served two terms as the Mayor of Cerritos, and ran three unsuccessful campaigns for state assembly.⁶⁸⁸

Wong first met Ted Sioeng “out of the blue”⁶⁸⁹ in 1992, while both were attending a banquet in Kunming, PRC.⁶⁹⁰ At that initial meeting, Wong testified that Sioeng “knew nothing about U.S. politics.”⁶⁹¹ Despite his political ignorance, Sioeng said he knew of Wong through his political career,⁶⁹² and went on to tell Wong that:

... I should be his friend, and he can help me [financially] in future campaigns and that actually [Sioeng made] the promise and the commitment to support any of my future campaigns without any condition mentioned ...I remember he even ask me how much does it take to start to win any election and primary. I mention to him about \$250,000 for some assembly or congressional [campaign], just to begin with. He said, “No problem.”⁶⁹³

According to Wong, the purpose behind the conversation was that Sioeng wanted “to make a friend with me. He wanted to be friends, and he also wanted me to move higher up in the political area.”⁶⁹⁴

A year or two later, Wong once again had a conversation with Ted Sioeng about local politics. During that discussion, Wong suggested that Sioeng become more politically active in the Asian-American community.⁶⁹⁵ At the time, Wong was running for office and asked Sioeng for a campaign contribution.⁶⁹⁶ No such donation was forthcoming, because Sioeng “was seldom in the

⁶⁸⁷ Wong Depo at 21.

⁶⁸⁸ Id. at 21-22.

⁶⁸⁹ Id. at 31.

⁶⁹⁰ Id. at 27.

⁶⁹¹ Id. at 31.

⁶⁹² Id. at 28.

⁶⁹³ Id.

⁶⁹⁴ Id. at 31.

⁶⁹⁵ Id. at 33.

⁶⁹⁶ Id.

United States,”⁶⁹⁷ and it was “[V]ery difficult to get hold of him.”⁶⁹⁸

Following those discussions, Wong continued to unsuccessfully pursue Sioeng for campaign contributions. In 1996, four years after his offer of financial support, Ted Sioeng agreed to support Wong’s state assembly campaign. Wong testified that this agreement came only after he told Sioeng in late 1995, “You didn’t keep your word. Are you going to help me?”⁶⁹⁹

As a result of that comment, Wong went to Sioeng’s office in Hollywood, California, and picked up two checks.⁷⁰⁰ Wong stated that “each check was [for] \$5,000, and those checks were from his affiliated travel agency, from a lady he called up to his office and she wrote two checks to me. But they both were postdated.”⁷⁰¹

Wong further stated that Sioeng instructed him to deposit the two checks on specific dates.⁷⁰² However, the checks were never deposited. Wong explained that most of Sioeng’s funds comes from overseas, rather than the United States, and Sioeng “will wire them from Hong Kong or somewhere.”⁷⁰³ As a result of that knowledge, Wong decided to see if the account had money in it before the depositing the first check, and was told --presumably by the bank-- to “hold on and wait for a long time.”⁷⁰⁴

When Wong called Sioeng to discuss the fact that there were not sufficient funds to cover the checks, Sioeng already knew about it⁷⁰⁵, and offered to take back the checks and have his daughter, Jessica Elnitiarta, write another check.⁷⁰⁶ Wong subsequently received “a replacement

⁶⁹⁷ Id.

⁶⁹⁸ Id.

⁶⁹⁹ Id. at 99.

⁷⁰⁰ Id. at 101-102.

⁷⁰¹ Id. The Committee presumes the checks were written on an account held by either Supertrip Travel or Guangdong China Travel Service. Both firms were located in Sioeng’s Hollywood Metropolitan Hotel complex and were owned or managed by the Sioeng family. See “Sioeng U.S. Business Interests” this chapter.

⁷⁰² Id.

⁷⁰³ Id. at 102.

⁷⁰⁴ Id.

⁷⁰⁵ Id. at 103.

⁷⁰⁶ Id.

check”⁷⁰⁷ for \$5,000 check from the account of Sioeng’s wife and two daughters.⁷⁰⁸ Wong apparently did not seek a replacement for the second \$5,000 check. During his deposition, he did not explain the circumstances surrounding the delivery of the replacement check, nor did Wong offer an explanation for not seeking a replacement for the second \$5,000 check.

At the time the “replacement” check was written, the bank account held by Sundari, Sandra and Laureen Elnitarta held \$13,378.⁷⁰⁹ This balance was funded by a \$50,000 telephone transfer three days earlier from Yanti Ardi.⁷¹⁰ The same day, Yanti Ardi received a nearly \$519,000 wire transfer from Pristine Investments.⁷¹¹

3. Conclusions

The evidence suggests that the contribution to Wong’s campaign may have come from an eligible U.S. resident. However, the Committee concludes that the donation was funded by foreign money. As a result, the Committee concludes that the contribution was improper and possibly illegal.

D. Contribution to Julia Wu

1. Summary

During 1995, Julia Wu, a Republican, was campaigning for her third four-year term on the Los Angeles Community College District Board of Trustees. Her husband, Alfred Wu, served as her campaign Treasurer. The Committee identified two \$10,000 conduit payments from Sioeng associates Kent La and Bun Tsun Lai to Alfred Wu. The Committee concluded that these contributions were ultimately funded from Pristine Investments in Hong Kong, which is affiliated with Sioeng.

2. Findings

⁷⁰⁷ *Id.* at 101.

⁷⁰⁸ Check #1094 from Sundari, Sandra & Laureen Elnitiarta to Dr. Daniel Wong in the amount of \$5,000, February 15, 1996. The Committee notes that the signature on the checks matches that of Jessica Elnitiarta and that she holds power of attorney over the check account of her mother and sisters, Sundari, Sandra and Laureen, respectively. Ex. 244.

⁷⁰⁹ Grand National Bank statements, Sundari, Sandra & Laureen Elnitiarta, Feb.1-29, 1996. Ex. 245.

⁷¹⁰ Wire transfer from Yanti Ardi to Sundari Elnitiarta in the amount of \$50,000, Feb.12, 1996. Ex. 246.

⁷¹¹ *See* Ex. 166.

On February 21, 1995, Sioeng associate Kent La wrote a \$10,000 check payable to Alfred Wu.⁷¹² The Committee notes that Julia Wu's campaign reported that La made only one donation of \$1,000, and that it was received on February 23, 1995.⁷¹³ The \$10,000 check to Alfred Wu was funded by a \$50,000 telephone transfer made the same day from Sioeng's wife and two daughters to La.⁷¹⁴ That transfer was funded in turn by \$50,000 from a bank loan account held by the Sioeng family.⁷¹⁵ The bulk of that loan was repaid by Jessica Elnitiarta through a November 3, 1996 wire transfer of \$928,432 from Pristine Investments.⁷¹⁶ Glenville Stuart testified that Pristine Investments is "associated with Ted Sioeng."⁷¹⁷

On May 29, 1995, Bun Tsun Lai wrote a \$10,000 check payable to Alfred Wu⁷¹⁸ against a bank balance of only \$95.⁷¹⁹ To cover the check, Lai deposited a \$10,000 check from Glenville Stuart on May 31, 1995.⁷²⁰ Stuart, in turn, funded this check through a \$55,000 wire transfer received from Pristine Investments in Hong Kong.⁷²¹

The Committee notes that during the relevant time period, the Julia Wu campaign does not report

⁷¹² Check #122 from Kent La to Alfred Wu in the amount of \$10,000, Feb. 21, 1995. Ex. 247.

⁷¹³ "Officeholder, Candidate and Controlled Campaign Committee Statement," Feb. 1-29, 1995. Contributions to Julia Wu. Ex. 248.

⁷¹⁴ Telephone transfer from Sundari, Sandra, and Laureen Elnitiarta to Kent La in the amount of \$50,000, Feb. 21, 1995. Ex. 249.

⁷¹⁵ Wire transfer from Sandra & Laureen Elnitiarta TCD Loan in the amount of \$50,000 to Sundari, Sandra & Laureen Elnitiarta, Feb. 21, 1995. Ex. 250. Committee notes that on Nov. 3, 1995, the entire bank loan balance was paid off by Elnitiarta using foreign funds from Pristine Investments in Hong Kong. Ex. 223.

⁷¹⁶ See Ex. 223.

⁷¹⁷ Stuart Depo. at 65.

⁷¹⁸ Check # 5045 from Bun Tsun Lai to Alfred Wu in the amount of \$10,000, May 29, 1995. Ex. 251.

⁷¹⁹ Grand National Bank statement, Bun Tsun Lai, May 1996. Ex. 252.

⁷²⁰ Deposit slip for Bun Tsun Lai, May 31, 1995; Check # 240 from Glenville Stuart to Bun Tsun Lai in the amount of \$10,000, May 30, 1995. Ex. 253.

⁷²¹ See Ex. 225.

any listing of a contribution from Bun Tsun Lai during this time period.⁷²² The Committee further notes it is awaiting bank account records documenting these transactions.

3. Conclusions

The Committee concludes that the funding source for the Wu contributions was overseas businesses owned and/or controlled by Sioeng. In addition, the Committee concludes that the contributions were disguised by using Kent La and Bun Tsun Lai as conduits to transact the donations. As a result, the donations are improper and/or illegal.

E. Contribution to Norman Hsu

Another local Republican candidate to whom Ted Sioeng contributed is Norman Hsu, a member of the Hacienda-La Peunta School Board. Hsu, who like Sioeng hails from Indonesia, told Committee investigators that he first met Sioeng in May 1994, at an Indonesian festival held at Sioeng's Hollywood Metropolitan Hotel.⁷²³ A year later, Hsu and Sioeng formed an Indonesian-Chinese Benevolent Association.⁷²⁴ Around the time the association was formed in early 1995, Hsu asked Sioeng for financial support in his re-election campaign for the local school board.⁷²⁵

Sioeng subsequently served as finance chairman for a Hsu fund-raiser,⁷²⁶ and donated \$7,500 to the campaign.⁷²⁷ The Committee notes that Hsu did not know that Sioeng was a foreign national, and that Hsu subsequently became disassociated with Sioeng over political differences.⁷²⁸

Sioeng signed a personal check payable to the Friends of Norman Hsu on March 11, 1995,⁷²⁹

⁷²² "Officeholder, Candidate and Controlled Campaign Committee Statement," March 26-June 30, 1995. Ex. 254.

⁷²³ Interview with Norman Hsu, Mar. 13, 1998. [hereinafter Hsu Interview]

⁷²⁴ Id.

⁷²⁵ Id.

⁷²⁶ Id.

⁷²⁷ Check #654 from Sioeng San Wong to Friends of Norman Hsu in the amount of \$7,500, Mar. 11, 1995. Ex. 255.

⁷²⁸ Hsu Interview.

⁷²⁹ *See* Ex. 255.

against an account balance of only \$2,159.⁷³⁰ To cover the check two days later, Jessica Elnitiarta transferred \$30,000 from a family loan account to Sioeng's personal account.⁷³¹ As previously stated, Jessica Elnitiarta repaid the bank loan primarily from a wire transfer from Pristine Investments in Hong Kong.⁷³²

IX. ACCESS TO PRESIDENT CLINTON, VICE PRESIDENT GORE & SPEAKER GINGRICH

1. Summary

Political contributions totalling \$450,000 made by Ted Sioeng, his family, and his associates opened the gates of political access to the three highest officials of the U.S. government. The Committee believes Sioeng used this access to gain influence with the governments of China and Cambodia, and to increase his business opportunities both overseas and within the United States.⁷³³ Sioeng's affiliation with high level political leaders also helped him to increase his influence in the California Asian community.⁷³⁴

2. Findings

A. Access to President Clinton and Vice President Gore

The Hay-Adams Dinner with President Clinton

On February 19, 1996, the DNC hosted an Asian Pacific American Leadership Council Presidential Dinner at the Hay-Adams Hotel in Washington, DC. This is the first major Asian fundraiser organized by John Huang.

Sioeng and seven guests attended the event, and had their pictures taken with President Clinton.⁷³⁵ The Sioeng attendees included: Sandra Elnitiarta and Didi Kurniawan, Sioeng's daughter and son-in-law; Li Kwai Fai, a Chinese businessman with factories located in Guangdong Province,

⁷³⁰ Grand National Bank statements, Sioeng San Wong, Feb.1- Mar. 31, 1995. Ex. 256.

⁷³¹ Telephone transfer from Laureen and Sandra Elnitiarta TCD loan account to Sioeng San Wong in the amount of \$30,000, Mar. 13, 1995. Ex. 257.

⁷³² See Ex. 223.

⁷³³ Wong Depo. at 35.

⁷³⁴ Elnitiarta Interview.

⁷³⁵ Photographs of Ted Sioeng and his guests with President Clinton, Feb. 19, 1996. Ex. 258.

China;⁷³⁶ Jimmy Tsang and his wife Jean Lim Tsang;⁷³⁷ Bruce Cheung, a Singapore permanent resident, and President of Chinois Tobacco, a Singapore company controlled by Sioeng; and Chu Yibin, an apparent business associate of Cheung who may be related to Chu Shijian, Chairman of Yuxi Hongta Tobacco Group.

Jessica Elnitiarta stated that she and Huang had previously negotiated a contribution of \$12,500 per person for all eight attendees.⁷³⁸ Huang collected Elnitiarta's personal check for \$100,000 from her sister, Sandra Elnitiarta, at the dinner.⁷³⁹

The Committee notes that Sioeng and Li sat at the head table in close proximity to President Clinton which also included notable figures Pauline Kanchanalak, Charlie Trie, and Ng Lap Seng.⁷⁴⁰ The Committee also notes that John Huang claimed to have raised one million dollars at this event.⁷⁴¹ However, DNC records for the event indicated it raised \$716,000 from 50 individuals or corporations.⁷⁴²

The Breakfast with Vice President Gore

The next morning, the DNC hosted the same attendees for a White House tour and breakfast with Vice President Gore. Ted Sioeng and six guests attended the event, and had photographs taken with the Vice President.⁷⁴³ In fact, Sioeng and Li sat at the head table with Vice President

⁷³⁶ The Committee has unsuccessfully attempt to contact Li on several occasions. The Committee notes that Li currently uses a picture of himself and President Clinton, taken at the event, on his company's Web site. *See* Ex. 137.

⁷³⁷ As stated previously, Jimmy Tsang is President of Sioeng's Goldlion International, and son of Tsang Hin Chi, Chairman of Goldlion Holding Group, which controls one of Sioeng's Chinese tobacco ventures and is also a member of the National People's Congress which controls the Communist Party within the PRC. *See* Ex. 130. Tsang, his wife, and father have all refused to cooperate with the Committee.

⁷³⁸ Elnitiarta Interview.

⁷³⁹ Id.

⁷⁴⁰ Photograph of Hay-Adams head table, Feb. 19, 1996. Ex. 259.

⁷⁴¹ Photograph of John Huang presenting check to Donald Fowler. Ex. 260.

⁷⁴² DNC Finance Systems, detail report for Asian Dinner, documents D0000968 to 973. Feb. 19, 1996.

⁷⁴³ Photographs of Ted Sioeng and his guests with Vice President Gore, Feb. 20, 1996. Ex. 261.

Gore.⁷⁴⁴

The Hsi Lai Temple Luncheon with Vice President Gore

On April 29, 1996, the DNC hosted a fund-raising luncheon at the Hsi Lai Temple in Los Angeles, California. This event, organized by John Huang and Maria Hsia, was attended by Sioeng and four guests.⁷⁴⁵ Vice President Gore sat at the head table with Ted Sioeng to his left and Master Hsing Yun, the Temple's spiritual leader.⁷⁴⁶ Besides his wife and two daughters, Sioeng brought Sioeng Fei Man Hung, a Chinese/Hong Kong national, who was then the general manager of the International Daily News. Jessica Elnitiarta stated that the family made no contribution for this event because the family was "comped" by John Huang who cited the family's poor seating at the Hay-Adams dinner.⁷⁴⁷ This explanation is highly questionable given what the Committee has learned of Sioeng's seats at the Hay-Adams event.

The Sheraton Carlton Dinner with President Clinton

Two weeks later, on May 13, 1996, the DNC hosted a fund-raising dinner at the Sheraton Carlton Hotel in Washington, D.C. Jessica Elnitiarta stated that John Huang invited the Sioeng's family, noting that her father was very excited about the invitation because he viewed it as a good opportunity to bring some of his overseas business partners.⁷⁴⁸

This event was attended by Ted Sioeng and seven guests, all of whom had photographs taken with the President.⁷⁴⁹ Committee investigators have been able to identify photographs of five of Sioeng's six guests: Macau legislator and casino operator, Chio Ho Cheong (aka Chen Kai Kit, aka Tommy Chio), who according to his business card, operates businesses in Thailand, Hong Kong, China, and Macau;⁷⁵⁰ Chan Elsie Y.Z., Chio's business partner and former Hong Kong movie star; Guo Zhong Jian, the Deputy General Manager of the China Construction Bank; Kent La, President of Loh Sun International; and either Lin Fu Qiang of Everbrite Asia, Ltd in Hong

⁷⁴⁴ See Ex. 131.

⁷⁴⁵ See Ex. 160.

⁷⁴⁶ Photograph of head table at Hsi Lai Temple event. Ex. 262.

⁷⁴⁷ Elnitiarta Interview.

⁷⁴⁸ Id.

⁷⁴⁹ Photographs of Ted Sioeng and his guests with President Clinton, May 13, 1996. Ex. 263.

⁷⁵⁰ Tommy Chio business card. Ex 264.

Kong, or He Jian Shan, occupation unknown.⁷⁵¹ According to a DNC document of the event, Sioeng, Chio, and Chan sat with President Clinton at the head table.⁷⁵²

According to Jessica Elnitiarta, Huang did not immediately solicit a contribution for this event, as he wanted them to attend an upcoming Los Angeles fundraiser.⁷⁵³ Instead, Jessica Elnitiarta paid for the event with a \$100,000 Panda Estates Investment check written on July 12, 1996.⁷⁵⁴ She said she arrived at the figure using the same \$12,500-per-seat rate that she applied to the Hay-Adams event.⁷⁵⁵

The Century Plaza Dinner with President Clinton

On July 22, 1996, Sioeng attended a Presidential dinner at the Century Plaza Hotel in Los Angeles, along with 48 family members and business associates,⁷⁵⁶ including Kent La.⁷⁵⁷ Sioeng sat at the head table with President Clinton and James Riady, a top Lippo Group executive.⁷⁵⁸

Jessica Elnitiarta said that she paid for the event with a \$50,000 check from Panda Estates Investment to the DNC.⁷⁵⁹ She stated that she arrived at the amount after determining the event was less significant than earlier ones, which averaged about \$1,000 a plate.⁷⁶⁰ DNC documents attribute this contribution to a July 30, 1996 Presidential Trustee dinner at the Jefferson Hotel in Washington, DC.⁷⁶¹ However, there is no evidence that the Sioeng family or business associates attended this event.

The same day as Jessica Elnitiarta wrote the Panda Estates check to the DNC, Kent La also

⁷⁵¹ See Ex. 263.

⁷⁵² See Ex. 133.

⁷⁵³ Elnitiarta interview.

⁷⁵⁴ Id.

⁷⁵⁵ Id.

⁷⁵⁶ Elnitiarta Interview.

⁷⁵⁷ Ma Interview.

⁷⁵⁸ See Ex. 163.

⁷⁵⁹ Elnitiarta Interview.

⁷⁶⁰ Id.

⁷⁶¹ See Ex. 153.

signed a \$50,000 Loh Sun International check to the DNC.⁷⁶² Committee investigators believe the Loh Sun contribution is connected to the Century Plaza fundraiser, which La attended.⁷⁶³ DNC documents attributed this donation to a July 30, 1996 Presidential Trustee dinner at the Jefferson Hotel in Washington, D.C.,⁷⁶⁴ which La almost certainly did not attend.

B. The Tanuwidjaja Contributions

In September 1996, the Tanuwidjaja family made three contributions totaling \$100,000 to the DNC. According to conflicting DNC documents, the same September 9, 1996 contribution for \$60,000 by Subandi Tanuwidjaja was attributed to both a September 19, 1996 Vice Presidential Asia Dinner at the Hilton Hotel in San Francisco, and the Jefferson Hotel Trustee dinner.⁷⁶⁵ DNC documents also attributed a September 19, 1996 contribution in the amount of \$20,000 by Subandi Tanuwidjaja to the San Francisco dinner⁷⁶⁶ and a September 26, 1996 contribution in the amount of \$20,000 by Suryanti Tanuwidjaja to an African-American Presidential Dinner at the Sheraton Hay Adams Carlton Hotel in Washington, DC.⁷⁶⁷ The documents all listed John Huang as the DNC solicitor or contact person for these contributions.⁷⁶⁸ The Committee notes that has found no evidence that the Tanuwidjajas attended any of these events.

C. Access to House Speaker Gingrich⁷⁶⁹

After receiving \$50,000 in contributions from Ted Sioeng, California State Treasurer Matt Fong introduced Sioeng and his son-in-law, Didi Kurniawan, to Speaker Gingrich on July 12, 1995.⁷⁷⁰ Shortly thereafter, the Sioeng family was approached by Steven Kinney, Fong's campaign consultant and a fundraiser for the Speaker, who asked for contributions to organizations supported by the Speaker.⁷⁷¹ After a conversation between a member of the Sioeng family and

⁷⁶² See Ex. 154.

⁷⁶³ Ma Interview.

⁷⁶⁴ See Ex. 154.

⁷⁶⁵ See Ex. 155.

⁷⁶⁶ See Ex. 156.

⁷⁶⁷ See Ex. 157.

⁷⁶⁸ See "John Huang's Role."

⁷⁶⁹ See "Contributions to Matt Fong," and "Contribution to the National Policy Forum."

⁷⁷⁰ Senate Fong Depo. at 65-66.

⁷⁷¹ Id.

Fong, Panda Industries donated \$50,000 to the National Policy Forum on July 18, 1995. The next day, Sioeng sat next to the Speaker at an outreach event for Asian-American community leaders at the Beverly Hills Hotel, and had his photograph taken with the Speaker.⁷⁷² During that second meeting, the Speaker and Sioeng's discussed U.S.-China relations.⁷⁷³

Sometime in December 1995, Jessica Elnitiarta approached Fong to have him obtain a congratulatory letter from the Speaker for a badminton tournament sponsored by one of Sioeng's businesses.⁷⁷⁴ Fong secured the requested letter, which appeared in a promotional brochure for the tournament.⁷⁷⁵

The Committee notes that the subject of fundraising or donations did not come up in the July 1995 meeting between the Speaker and Sioeng. In fact, the two had a "very cordial surface" conversation, and made no mention of political contributions.⁷⁷⁶

X. CONCLUSIONS

The Committee makes the follow conclusions:

1. Ted Sioeng controls 20 businesses within the United States, most of which are run by his daughter, Jessica Elnitiarta.
2. Sioeng also owns or controls 16 businesses in seven foreign countries, the vast majority of which are located in the People's Republic of China/Hong Kong and which involve a partnership with the Chinese government.
3. Sioeng's has close personal, political, and financial ties to high level Chinese officials, including Premier Jiang Zemin, whom Sioeng met in October 1995.
4. The Senate Campaign Finance Report concluded that \$5,000 in political contributions was funded by the PRC consulate. The PRC or its officials may also have funded other contributions which Ted Sioeng, his family, and associates made to American political campaigns, candidates, and pro-PRC groups. However, 28 witnesses have refuse to talk and the Chinese government refused to cooperate in this investigation to follow the source of money funding Sioeng's Chinese and Hong Kong bank accounts.

⁷⁷² See Ex. 240.

⁷⁷³ Chen Interview.

⁷⁷⁴ Senate Fong Depo. at 62-65.

⁷⁷⁵ *Id.* at 63; See Ex. 241.

⁷⁷⁶ Fong Depo, Vol. I, at 72-74.

5. Sioeng also has close personal and financial ties to high level officials of the Cambodian government, including the current leader, Hun Sen.
6. The Sioeng family used foreign money to make improper and/or illegal contributions to a variety of political candidates and campaigns, including the Democratic National Committee; Gary Locke, the Governor of Washington State; Matt Fong, the California State Treasurer; Daniel Wong, former City Council Member and Mayor of Ceritos, California; Julia Wu, a member of the Los Angeles Community College District Board of Trustees; and Norman Hsu, a member of the Hacienda-La Peunta School Board in California.
7. Sioeng also used conduits to make improper and/or illegal contributions to a other political candidates and entities, including the Democratic National Committee, Governor Gary Locke, and Trustee Julia Wu.
8. Neither Gov. Locke nor Treasurer Fong appears to have knowingly accepted improper contributions from Sioeng's, his family and/or business associates. Fong stated that he informed Sioeng of appropriate state laws.
9. The DNC should return the \$400,000 in contributions associated with the Sioeng's family because the donations were directed by a foreign national and/or made using foreign money.
10. The donations made by Sioeng's, his family and business associates provided access to the three highest level officials of the U.S. government: President Clinton, Vice President Gore, and House Speaker Gingrich. Sioeng used this access to gain influence with foreign governments, increase business opportunities for himself, and obtain a leadership position in the Southern California Asian Community.